

INTERGOVERNMENTAL PERSONNEL ACT MOBILITY PROGRAM

HEARING BEFORE THE SUBCOMMITTEE ON HUMAN RESOURCES OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES ONE HUNDRED FIRST CONGRESS FIRST SESSION

JUNE 20, 1989

Serial No. 101-14

Printed for the use of the Committee on Post Office and Civil Service



U.S. GOVERNMENT PRINTING OFFICE

21-837

WASHINGTON : 1989

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

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INTERGOVERNMENTAL PERSONNEL ACT MOBILITY PROGRAM

TUESDAY, JUNE 20, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HUMAN RESOURCES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:04 a.m., in room 304, Cannon House Office Building, Hon. Paul E. Kanjorski (chairman of the subcommittee) presiding.

Mr. KANJORSKI. I want to welcome you all to this oversight hearing on the Intergovernmental Personnel Act Mobility Program. As you know, the Act has been in existence for almost 20 years. Originally, the law provided grants to the States and their localities to assist them in implementing personnel programs based upon the Federal Government's merit system. In 1981, the Reagan administration cut the funding so that today we have been left with just the mobility program.

When the Intergovernmental Personnel Act was enacted, the Congress intended it to support State and local governments in dealing with the new burdens of our modern society. Because States have been required to play an increasingly active role in addressing problems like equal employment opportunity, welfare, and the environment, Congress felt it was the obligation of the Federal Government to assist States in developing the necessary technical expertise through the interchange of personnel. This hearing begins the subcommittee's review of how the program has fared over the last eight years.

In 1987, my colleague from New York, Ted Weiss, asked the General Accounting Office to commission a study of the mobility program. He has been kind enough to allow the subcommittee to review the study provided by the GAO. Today we will review the findings of this study and hear recommendations on the part of GAO concerning the program.

We will also hear from the Office of Personnel Management on the mobility program. I am sure they would like to give comments on the General Accounting Office findings. Also among our list of witnesses are representatives of five Federal agencies who use the mobility program the most. This subcommittee will be interested to hear about their experiences, any problems they may have had in implementing it, and any recommendations that they may have concerning possible legislative modifications to the Act.

Also with us today are members of organizations that represent State and local governments. I hope they will provide us with their perspective on the IPA mobility program and how it has been administered.

As one who has long supported increasing interaction and communication between all levels of Government, as well as between Government and the private sector, I believe there is a great deal of good that can come from programs such as those envisioned in the Intergovernmental Personnel Act. I am looking forward to hearing today whether the promise and potential of this program has actually been realized by those who have administered it.

I would like to call as our first panel today Mr. Bernard Ungar, Director of Federal Human Resources Management Issues, General Government Division, of the General Accounting Office, and also Mr. James T. Campbell, Assistant Director, General Government Division, General Accounting Office.

Gentlemen, before you are seated, let me indicate that since I have become chairman I have instituted a new program where I ask everyone to be sworn in. Mr. Ungar, you may recall this from last week. So I would ask you both to join me in raising your hands.

[Witnesses sworn.]

I believe we had intended to ask Mr. Ungar to start. If you could summarize your written statement, it will be submitted and entered into the record in its totality. We would appreciate any synthesis you could make of it and any comments you wish to make on it.

STATEMENT OF BERNARD L. UNGAR, DIRECTOR, FEDERAL HUMAN RESOURCE MANAGEMENT ISSUES, GENERAL GOVERNMENT DIVISION, U.S. GENERAL ACCOUNTING OFFICE ACCOMPANIED BY JAMES T. CAMPBELL, ASSISTANT DIRECTOR, GENERAL GOVERNMENT DIVISION, GAO; AND ELLEN T. WINEHOLT, GENERAL GOVERNMENT DIVISION, GAO

Mr. UNGAR. Thank you, Mr. Chairman. We are pleased to be here today.

As you know, we issued our report late last evening, so most folks probably haven't had a chance to read through the final copy, although it is somewhat similar—in fact, very similar—to the draft report that had been out earlier.

Our report contains two major points with respect to the Intergovernmental Personnel Act Mobility Program. One deals with the purpose of the program and the other deals with OPM's management of it.

With respect to the purpose of the program, we found that the way the program is being used today—is somewhat different from the purpose that was originally authorized in the Act. The original purpose was to strengthen the personnel resources of State and local governments and to strengthen intergovernmental cooperation. However, we found that the character of the program has changed over the years to the situation today, whereby mostly it's a program that is used to bring folks from colleges and universities into the Federal Government, and it is used to a great extent to

supplement the staff of the Federal Government agencies. Basically, Federal agencies seem to be the primary beneficiaries of the program, at least on an overall basis.

The use of folks from colleges and universities is an authorized activity, so what is happening isn't unauthorized by the legislation. It's a question of whether the purpose for which the folks are being used is consistent with the original purpose of the Act. We are bringing this information to the Congress' attention so that you can consider whether or not you feel the use of this program is one which is desirable or whether you feel there ought to be changes made on how the program is being used. We aren't taking a position on that. We're just reporting the information to you.

Another issue that we think the Congress needs to consider is the evaluation of the program. Since 1980, with the 1980 Reports Elimination Act, OPM has not been providing an evaluation report to the Congress on the program, so there hasn't been over the last several years systematic information on how the program is working, whether it's accomplishing its objectives, and so forth. We feel this is an issue that the Congress may want to consider in terms of do you want to have a periodic report from OPM on how the program is being carried out.

With respect to OPM's management, we found that over the last several years it has decreased its emphasis on overseeing the program. The staffing has declined from about five folks several years ago to about two people full time today.

With respect to how it is being managed, we found that there seems to be little tracking of what was happening within the agencies. OPM, more recently, wasn't keeping track of the assignment agreements that it had required agencies to submit and, therefore, wasn't aware of the total number of agreements that were in effect as of the end of the year. They also were not keeping close tabs on evaluation reports that agencies were required to submit at the end of each year. Most of the agencies, as of March, hadn't submitted reports, for example, for fiscal year 1988, including three of the agencies using the largest number of intergovernmental assignments.

Finally, with respect to OPM, one issue that we identified that needs to be resolved is the extent to which personnel coming into the Federal Government under the program should follow conflict-of-interest requirements. Particularly, we found that there is a variety of ways agencies handle the financial disclosure requirements. Some of the agencies don't require folks coming in to submit a financial disclosure statement. Some do.

Several years ago, the Office of Government Ethics issued an opinion which said that basically folks coming into the program should be required to file financial disclosure statements so that the folks at the Federal level could review them and determine whether or not there is an actual or potential conflict of interest.

The Office of Government Ethics is currently reviewing regulations which it expects to issue some time in the near future, but in discussions with the Office of Government Ethics, it is not clear whether or not this regulation that they're going to come out with will cover folks on detail with the Intergovernmental Personnel Act Mobility Program. So that's a little bit up in the air. We think

that OPM needs to pretty much address this issue directly and basically follow the guidance that was initially set forth back in 1979 by OGE.

With that, I will end my summary and be happy to answer any questions you might have.

[The statement of Bernard L. Ungar follows:]

STATEMENT OF BERNARD L. UNGAR, DIRECTOR, FEDERAL HUMAN RESOURCE
MANAGEMENT ISSUES, GENERAL GOVERNMENT DIVISION, GAO

Mr. Chairman and Members of the Subcommittee: We appreciate the opportunity to participate in the Subcommittee's hearings on the Intergovernmental Personnel Act [IPA] mobility program. We have reviewed the mobility program and yesterday we provided our report to Chairman Ted Weiss of the Subcommittee on Human Resources and Intergovernmental Relations, Committee on Government Operations. We will provide that report for the record and briefly summarize its main points.

The act allows personnel to be assigned temporarily between Federal agencies and various non-Federal organizations. The assignments are to be mutually beneficial to the participating organizations, and costs are to be shared accordingly. Over the past 5 fiscal years, the number of agreements made by Federal agencies grew from about 550 in fiscal year 1984 to about 800 in fiscal year 1988.

We reviewed the act's legislative history to find out what Congress wanted to accomplish through the mobility program and gathered data from 36 departments and agencies on how they were actually using the program. We also did work at the Office of Personnel Management [OPM] on its overall management of the program. In brief, we found that the program is used widely in the Federal Government and is generally considered to be very beneficial across the Government. However, the program's character has changed considerably since 1970. Since about 1975, the program has become primarily a way to bring college and university personnel into the Federal Government. OPM has assigned the mobility program a low priority in terms of its resource commitment to the program since 1982, when it reduced its involvement in all IPA activities.

INTERGOVERNMENTAL PURPOSE IS NO LONGER EMPHASIZED

The act is clear as to what Congress originally intended for the various programs IPA created in 1970. The intent was to strengthen the personnel resources of State and local governments and encourage intergovernmental cooperation. Our work showed that this original purpose has become secondary to bringing personnel into the Federal Government from colleges and universities. The overall data that we accumulated illustrate how the program's direction and emphasis have shifted from sending personnel to State and local governments to bringing college and university personnel into Federal agencies over the years and how the program is generally being used today:

Over the past 5 years—(fiscal years 1984–1988)—about 2 of every 10 assignment agreements were made with State and local governments, in contrast to about 6 out of every 10 in the 1970s.

Colleges and universities have become the most frequent non-Federal participants since the early 1970s, accounting for about 70 percent of the 4,000 agreements made by Federal agencies in the past 5 years and supplying about 90 percent of the people coming into the Federal Government under the program during this period.

Federal agencies typically are the principal beneficiaries of the assignment and they generally pay most or all of the assignment cost—mostly salaries and fringe benefits.

The act permits agencies to bring college and university personnel into the Federal Government and to pay any or all of the cost involved. However, the predominate use of the mobility program in this manner, in comparison to Congress' original intent, led us to conclude that Congress may want to reassess and clarify the primary purpose of the mobility program.

OPM GUIDANCE AND OVERSIGHT

OPM has reduced the number of staff assigned to administer and oversee the program, and there has been little governmentwide direction, oversight, and guidance given to the program in recent years. OPM has not evaluated the program and reported to Congress since about 1980.

OPM also has not always asked for or received the information it needs from agencies to effectively monitor the program. Assignment agreements and annual evaluation reports, which OPM requires from agencies for monitoring the mobility program, were not always submitted. For example, at the time of our review in March 1989, OPM had received reports from only 11 of 36 agencies that had made assignment agreements in fiscal year 1988. OPM was not aggressive in obtaining these documents from agencies and in following up questions about possible improper use of mobility assignments. We also found that the agencies did not have consistent policies for obtaining financial disclosure reports from non-Federal personnel assigned to the agencies under the program.

We believe that OPM could do a better job with its current priorities and resource commitment, and we made recommendations to that end. Specifically, OPM needs to better control the information it requires from agencies for monitoring the mobility program; direct agencies to make timely corrections or terminations of any improper assignments; and specify the circumstances in which non-Federal personnel assigned to Federal agencies under the program should file financial disclosure reports.

In addition, there are broader questions that Congress and the administration may want to consider in the context of the overall purpose the mobility program is to serve: namely, how aggressive OPM should be in monitoring the program, what staffing priority OPM should give the mobility program, and whether OPM should periodically provide reports on the program to Congress.

That concludes my prepared statement. I will be happy to answer any questions you may have.

Mr. KANJORSKI. Thank you, Mr. Ungar.

Mr. Campbell.

Mr. CAMPBELL. I have no statement.

Mr. KANJORSKI. Do you have anything to add that would be helpful to the Congress?

Mr. CAMPBELL. No, sir. Well, nothing more than Mr. Ungar has already provided. We are prepared to answer any questions you may have. I understand our full report will be included in the record; is that correct?

Mr. KANJORSKI. That's correct.

Let me ask you this. Is there any reason to believe there has been any abuse of the program?

Mr. UNGAR. Well, it depends on how you define "abuse". We do know that there are some agreements that exceeded the time period that is authorized, the 48-month period. I don't remember precisely how many, but it was not a large number.

Mr. KANJORSKI. You mean the time of employment, the 48 months?

Mr. UNGAR. Well, the time of detail to the Federal Government, or from the Federal Government. We have in our report the number over the last several years.

Ms. WINEHOLT. I believe it was 28 that exceeded.

Mr. KANJORSKI. By how much had they exceeded it?

Ms. WINEHOLT. It varied from just a few days to almost two years, I believe.

Mr. UNGAR. Most of them, I think, were just a day. Probably just more of a clerical error than anything else.

In terms of other types of abuse, that we really didn't get a good handle on. I guess the one question that would come up is the purpose for which the folks are being used. I'm not sure that's traditionally an abuse, since the Act is pretty broad in what it allows agencies to use folks for. But it is pretty clear that some agencies, at least in a number of cases, are using the folks to supplement or to bring people into their agencies on an expedited basis, rather

than going through the personnel process. In other words, they're using the program as a recruiting vehicle in some cases.

Mr. KANJORSKI. What level are they recruiting from, Mr. Ungar? Is it the top echelon, the middle or low echelon?

Mr. UNGAR. It's probably more middle to high—

Mr. CAMPBELL. I would think so, based on the salaries that are being paid.

Mr. KANJORSKI. What would the average salary be that you found?

Mr. CAMPBELL. Well, we have the salaries for three of the agencies. They range from about \$50,000 up to about—I guess it goes up to about \$90,000.

Mr. KANJORSKI. How many of the agencies actually exceeded the Federal level of salaries?

Mr. CAMPBELL. We have that information only for three agencies—NSF, the National Endowment for the Humanities, and one other, the National Institutes of Health.

Ms. WINEHOLT. Correct.

Mr. CAMPBELL. We looked at that for 188 assignments that were made for a 20-month period, ended May 1987. Of that 188 assignments, there were about six or eight assignments that were made by the National Science Foundation that exceeded the maximum salary paid for senior executives.

Mr. KANJORSKI. How much would you say they exceeded it by in those instances?

Mr. UNGAR. One was \$122,000 a year at the time, is that right?

Ms. WINEHOLT. I don't recall.

Mr. UNGAR. And at the time, I think the max was around \$77-80,000, although there was no limit in the legislation.

Mr. KANJORSKI. So effectively, these agencies had found a way to pay executives, or people they were bringing in with certain expertise, something closer to the market price as opposed to the Government rate?

Mr. UNGAR. That's correct, Mr. Chairman. Although again, at the time, there was no prohibition back in '87 about that. Now, at least for NSF, I believe, there is an appropriation act restriction that limits the dollar amount that they can pay for the SES salaries. I believe there is also a ceiling imposed of either \$90- or \$95,000. for payments under grants.

Ms. WINEHOLT. It's \$95,000.

Mr. KANJORSKI. Do you feel that the way the Act is drafted, there is no indication of a salary ceiling or a cap, and that any amount could be entered into in pay?

Mr. UNGAR. Other than what's covered by the appropriation act, yes, sir. Our understanding is that that's correct. Although the information we have wouldn't indicate there is a huge number of folks being paid—

Ms. WINEHOLT. Not of the 188 that we looked at.

Mr. KANJORSKI. There are or are not?

Ms. WINEHOLT. There are not.

Mr. UNGAR. These are not of the 188 that we looked at specifically. The problem is we have to get into each agreement to look at the—

Mr. KANJORSKI. Isn't there a central clearing agency for these agreements and the amounts paid, the time to be put on and the service that's to be performed?

Mr. UNGAR. Yes, sir. OPM is to receive a copy of all the agreements, I think it's within 30 days, after the time that they're assigned or extended or modified.

Mr. KANJORSKI. Do they receive them?

Mr. UNGAR. They do receive most of them, to our knowledge. As of the last couple of years, they haven't been logging them in, though, and tracking them in a systematic manner. We do know that they didn't get all of them because we did a little—

Mr. KANJORSKI. How many of these agreements are put together and entered into every month?

Mr. UNGAR. Last year I believe there were 800 during the whole year that we were aware of.

Mr. KANJORSKI. Seventy-five a month?

Mr. UNGAR. Something like that.

Mr. KANJORSKI. Isn't it physically possible for these two personnel at OPM to review two or three agreements a day?

Mr. UNGAR. Well, they do a variety of things, Mr. Chairman. We do think that they could probably do a more systematic job with the staff that they have in tracking and recording the documents and reviewing them. They certainly wouldn't be able to do that and to go out and make agency visits and so forth on a large scale with the staffing they have. We are suggesting some actions, as you indicate, that we think they can do with the staff that they have.

Mr. KANJORSKI. It seems to me each one of these agreements differs in some respect. Certainly you couldn't expect the staff to review and understand the total of each agreement, but there should be a cover sheet setting forth the time hired, the salary to be paid, whether or not it involves—something that could be rather standardized and applied and almost computerized.

Mr. UNGAR. Yes, they do review these documents. They did acknowledge—and I think they will follow us and give you more detail—that they don't go over them in depth. But we do know that they do review them and, on at least a number of occasions, they do now send a letter out to an agency asking for corrections, changes, additional information, although we did find in some cases there was a long time period in which the agencies took to respond.

Mr. KANJORSKI. This was originally envisioned as an act that would give expertise to the local and State governments from the Federal Government, but as I understand your testimony and your studies, really the reverse is now true, that we're drawing from local governments, from universities and colleges and other entities, into the Federal Government.

Do you think this is motivated by a lack of hiring capacity in Federal agencies. Is this program an attempt to make up, for this deficiency or is the Federal Government gaining some unusual expertise and abilities?

Mr. UNGAR. I think overall that the Federal Government does gain, although again it's not necessarily the original intended purpose. I think when you look at the individual assignments and at least what they report they're doing, I think the Federal Govern-

ment does gain additional expertise for a short-term period, that it would probably be a little more difficult to get through the normal personnel channels.

Mr. KANJORSKI. The Act, as I understand it, is only usable for the Executive Branch, is that correct?

Mr. UNGAR. Oh, no, sir. It was amended, I think, several years ago. GAO participates in the program as well, but not on a large scale. But it's available to the Legislative Branch. I don't know about the Judicial Branch.

Mr. CAMPBELL. I think it's extended by amendment to the original Act to cover all Federal agencies, all branches.

Mr. KANJORSKI. All branches of Government?

Mr. CAMPBELL. Yes, sir.

Mr. KANJORSKI. So the Supreme Court could exercise—

Mr. CAMPBELL. I believe that does include, yes, the Judicial Branch as well.

Ms. WINEHOLT. I think so.

Mr. KANJORSKI. How does the General Accounting Office utilize it? Do you have a separate budget? Do you take it out of your allotted appropriations, or do you ask for support with a special allocation for this purpose?

Mr. UNGAR. Generally, I think it comes out of our normal budget.

Let's say there was a State auditor—I'm just giving a hypothetical example—and we wanted to bring him or her in to help out, to train that person in our audit techniques. The state could detail the person to us and basically there wouldn't be much expense for us. We would provide office space and we might pay the person's travel or whatever while the person was with us. But we wouldn't necessarily pay all the person's salary. We would negotiate that with the sending organization.

The way the program is set up, the costs are supposed to be shared in proportion to the benefit received.

Mr. KANJORSKI. I notice that in most instances the Federal Government pays an inordinate amount, 87 percent or something like that.

Mr. UNGAR. Correct.

Mr. KANJORSKI. Is the benefit flowing to the Federal Government in those instances more than the other?

Mr. UNGAR. Well, we assume that it is. That is partly the basis for our conclusion.

Mr. KANJORSKI. Do you have any suspicion as to whether or not this has been used to avoid or circumvent the Federal ceilings on personnel hirings?

Mr. UNGAR. That's a tough question. The people who come in under certain circumstances don't count against the Federal ceiling. Now, whether it is intended to be used that way as a subversion, I don't think we could really say that. In fact, though, that's what does happen.

Mr. KANJORSKI. Do you feel that the agencies who use it have maximized their cap under their ceiling and now they're using IPA personnel—Do they tend to be the ones that use it more often than the others and still have room for hiring?

Mr. UNGAR. We really didn't look at that.

Mr. KANJORSKI. You didn't make that determination?

Mr. UNGAR. I don't think we made an assessment in terms of where they were in relation to the ceilings. Most of the agencies are hiring all the time because of attrition. For example, HHS has a lot of folks turn over every year.

Mr. KANJORSKI. Would this support the proposition that because of the flowing of these personnel generally from universities to the Federal Government, that the expertise exists outside of the Federal Government?

Mr. UNGAR. I don't know if I would say it quite that way, but certainly there is a strong indication that there are many folks at the college and university levels that are coming in with special expertise, particularly if you look at the DOD use of the program.

Mr. KANJORSKI. How do you track these people that are being brought in from the universities, as to whether or not there is any serious conflict of interest involved in mobility program agreements? After they gain some experience in the Federal Government, do they go back and utilize that in the private sector?

Mr. UNGAR. There is supposed to be a process by which the agencies are to inform the incoming folks about the conflict of interest statutes. There is a check list that I think they're supposed to—

Ms. WINEHOLT. There's a check on the agreement form.

Mr. UNGAR. They are supposed to indicate and inform them. But again, in our test of some of the agencies. We found that some of the agencies weren't even requiring the confidential financial disclosure statements from the folks coming in, so they wouldn't necessarily know what the—

Mr. KANJORSKI. As I understand it, there are approximately 800 people brought into the Federal Government this way every year, is that right?

Mr. UNGAR. It varies by year, but in 1988 there were about 800 that we knew about. The last year before that, I think it was 1,100.

Mr. KANJORSKI. Is that including the Defense Department, also?

Mr. UNGAR. Yes, that's across the board.

Mr. KANJORSKI. What would be the total cost to the Government for that program?

Mr. UNGAR. I don't think that information is available.

Mr. CAMPBELL. In fact, as part of the request we received from Chairman Weiss, we were asked to determine the cost Government-wide. We simply could not do that because there is no one source to go to to even get all the agreements. That is the only source that we know of for cost data. In fact, that's the reason we ended up putting together cost data for just 188 assignments, and that involved quite an effort just to do that. That cost came to, I believe, \$14 million.

Mr. KANJORSKI. What would that be on average per person?

Mr. CAMPBELL. The average, again, was—this was for the three agencies—from \$50,000 up to, I believe, about \$90,000. It's in the report.

Mr. KANJORSKI. Is that salary plus benefits?

Mr. CAMPBELL. That's total cost of the assignment, which is 90 percent salaries and benefits.

Ms. WINEHOLT. Salaries averaged from \$38,000 to \$73,000.

Mr. KANJORSKI. This is primarily personnel being used by the Federal Government as opposed to Federal personnel being used on a State or local assignment?

Ms. WINEHOLT. Right.

Mr. KANJORSKI. So for all intents and purposes, the expertise has not been flowing down most recent, in the last eight years, from the Federal level to the State and local level; is that correct?

Ms. WINEHOLT. Correct.

Mr. UNGAR. That is correct.

Mr. KANJORSKI. I tried to be facetious before, to suggest that the expertise was all on the local level, but obviously it isn't. Are we short-circuited in the State and local governments and nonprofit organizations that could be using Federal expertise that aren't able to get it for one reason or another, and if so, what would that reason be?

Mr. UNGAR. I don't know that we have information on requests from State and local governments that have been unfulfilled. I think it's probably—

Mr. CAMPBELL. We don't know to what extent the State and local governments have requested to be involved.

Mr. KANJORSKI. They wouldn't know how to do this, normally, would they?

Mr. CAMPBELL. Well, they may not. In the early years of the program, OPM was very active in pushing the program toward the State and local governments. That hasn't occurred in the last six or eight years. We have seen the participation by State and local governments fall off during that period.

Mr. KANJORSKI. Does any particular state use it more than others?

Mr. CAMPBELL. Unfortunately, we don't have the data broken out by individual State or local government. We did not ask for that and I don't think that's available.

Mr. KANJORSKI. We really don't know very much about how the program works.

Mr. CAMPBELL. I would say, overall, there is not much more data available on the program than what we have in the report.

Mr. KANJORSKI. For our purposes—that is, future legislation—doesn't it seem worthwhile that somebody could spend some time here to really make some interesting analysis of just what is occurring?

Mr. UNGAR. Yes, sir. That is the recommendation that we're making, or the matter that we're suggesting the Congress consider, because over the last several years there has not been any systematic and comprehensive information on the program at all coming up to the committee. In order to find out how the program is being used, who is using it, who is not using it—

Mr. KANJORSKI. Doesn't OPM recognize this as one of their responsibilities under the Act, or have they just decided to be "hands off" on it?

Mr. UNGAR. There was legislation back in 1980, I believe, that eliminated the periodic report that OPM used to send up on the program. You have that piece of legislation, and then there was an overall retrenchment within OPM in the early 1980s, where it cut back a lot on a number of programs. I think all but two of the pro-

grams that were authorized under this particular Act were discontinued.

Mr. KANJORSKI. Is it reasonable for us to conclude that because they haven't been complaining, because they haven't sent reports up, that they're very happy with the way things are operating, or is it that they don't feel they have an obligation to oversee what's happening?

Mr. UNGAR. I don't think they would say—of course, I don't want to speak for OPM—but I don't know that I would say it doesn't feel any obligation. I think it has had, as I mentioned, a general retrenchment. It is spread fairly thinly across a lot of programs. In this particular program, OPM has given it a fairly low priority.

Now, we aren't in a position to judge this program against other programs and say OPM ought to put eight more people here. There is no question in our mind, though, that the program could be more systematically administered with the staff that OPM has.

Mr. KANJORSKI. From the five agencies that you reviewed—and I don't recall all of them now, but EPA was one of them—did you have a judgment on which agency used this program most effectively and why?

Mr. UNGAR. We just took a sample, Mr. Chairman, of ten agreements from each of the five largest users. We presented that information. We weren't able to really make an overall judgment, although you could certainly look at the gist of the assignments and conclude that they don't really have an intergovernmental mission, such as in the Navy, for example. They are pretty much using the program in a different way than the legislative purpose.

Mr. KANJORSKI. Mr. Ungar, I'm just recently in the Congress. I'm in my third term, so I'm really a novice on how this whole system works. But I have been most unfavorably impressed with the way executive agencies seem to view their authority along their agency lines, and that if something isn't clearly described within their jurisdiction, they feel it is neither their responsibility nor do they attend to it.

I have been particularly disturbed with how the environment is attended to. I tend to find maybe five, six, seven Federal agencies that have similar lines of jurisdiction to solve a problem, and they all merely attend to their problem. They don't even talk to each other or communicate with one another. It's most amazing how you'll find that five agencies of the same government, are operating and spending money along the same research lines, and they don't even trade information among themselves. But when it gets to implementing that research, that technology or that information, they're at a conflict. They start to argue over jurisdictions. It's almost like a cat fight, frankly, it is embarrassing.

Is this effort I was hoping it would be—the type of program where we could start creating interagency executive authority to bring these agencies together so that they could be managed with one voice representing the Federal Government as opposed to all this squabbling between Federal agencies, or should we just forget that as this would apply? In other words, if we have an environmental problem out there, and there may be everything from the National Science Foundation to the Bureau of Mines, to TVA, to the Corps of Engineers, all having pieces of technology or jurisdic-

tion, I would like to see the capacity to take someone out of EPA and make them a "czar" in that area, in that region or State, to handle the Federal effort.

Is this program able to be used that way, or do you feel we just have to find something else to accomplish that?

Mr. UNGAR. I don't know that this program was designed for that purpose. I mean, assuming that the agencies wanted to get together and would agree to have a czar, or some coordinating point, you could probably designate somebody under this program. It would probably be someone from a non-Federal organization to help—

Mr. KANJORSKI. Assuming it was a disaster in a State, or a problem within a State, you would ask the State official to be designated under contract and then give him jurisdiction over all of these agencies. It seems to me the critical thing in the Federal Government today, and the thing we get the most criticism about, rightfully, is that the Federal Government has no singular voice, no singular executive capacity to act. We've broken up the Government into so many individual functions that these people don't see the broad picture any more. We don't say "I represent the Federal Government". We say "we do". We sit around a big table and everybody says well, I move trucks, that's all I do. It doesn't matter what else. We don't have the highways. That's the transportation guy's problem. They don't seem to coordinate.

How do we get that? Is this the program, or could we use this as a model to find a new program to accomplish that, or do we expand this program? It seems to me, if we're going to bring efficiency to the executive level, in the exercise of authority by Federal agencies, and efficiency in the expenditure of Federal moneys, we have got to find some way to focus executive authority and bring agencies together.

Is this potentially a legislative tool to accomplish that, or is that beyond the realm of this?

Mr. UNGAR. My guess is it would probably be a tool that you could use, although I don't know if this would be the primary way to achieve that. I guess they have in the Federal regions the Federal Regional Councils and so forth which would probably be a more first line way to try to get the Federal Government agencies in that regional area talking to one another. On a daily basis, this might be a tool that can be used to get people knowledgeable about what different Federal agencies do.

For example, EPA does use the program in a more truly inter-governmental sense than, let's say, the Navy does. So EPA is using it to exchange folks and get people knowledgeable about how EPA does its business. Now, when you get over into how Interior does it and so forth, I'm not quite sure.

Mr. KANJORSKI. Does EPA use it to bring people into EPA or send people from EPA out?

Ms. WINEHOLT. They send 82 percent of their people out.

Mr. KANJORSKI. Eighty-two percent are going out, so they're closer to using it the way it was originally intended.

Ms. WINEHOLT. Right.

Mr. KANJORSKI. Getting the Federal expertise out into the field.

Ms. WINEHOLT. That's correct.

Mr. KANJORSKI. Someone is going to actually compliment EPA today.

It's a welcome relief, right?

Mr. UNGAR. They can still achieve the primary purpose of the Act by bringing people in, because if the objective is to strengthen the personnel resources, if you were to bring, let's say, a State environmental person into EPA to learn how EPA awards its permits and how it runs its business, the person could go back to the State and be armed with the information and insight. So it can work both ways.

The real issue is intergovernmental. I think we are saying, whether it's into or out of, we're saying that the intergovernmental purpose seems to be deemphasized in the sense that it's more college and university people coming in and going back to the colleges and universities as opposed to the State environmental protection protection agency or that type of thing.

Mr. KANJORSKI. Have you made any study to determine that these people that come in under this program are going back and then becoming recipients of grants from the Federal agencies that they served?

Mr. UNGAR. That we haven't looked at, Mr. Chairman. That is what one of our concerns—

Mr. KANJORSKI. Well, I noticed a little bit of a smile, Mr. Campbell. Is that to suggest that, if you made that study, you suspect that you would find that that may be the case?

Mr. CAMPBELL. The reason for the smile, sir, is that it's a question I've had all along. In fact, that is one reason we added to this study—and it wasn't specifically requested—the part relating to the conflict-of-interest determinations, because of that very concern. We did not look for individual cases. What we were looking for were the safeguards to prevent that kind of thing from happening, or to at least know about it if it occurs. We don't have cases of that.

Mr. UNGAR. There's an interesting comparison. We issued a report a few months ago on the President's exchange program, in which a relatively small number of people come into and go out of the Federal Government—this is with private industry. That program has very stringent conflict-of-interest requirements, whereby the financial disclosure statements come in and are reviewed. The general counsels of both the sending and the receiving organization have to review the individual's proposed position and financial disclosure statement to make an affirmative decision. In the IPA program, you don't always have that.

Mr. KANJORSKI. What's the name of that program?

Mr. UNGAR. It's the Presidential Executive Exchange Program. It's up for reauthorization this fall. We issued that report a few months ago. We were very complimentary of the controls that existed over potential conflicts of interest in that program, and we compared that to this and found that the Presidential Exchange Program was much more stringent than the IPA program. That's a much smaller program. There's only like 35 or 40 people going back and forth every year from the Federal Government to the private sector. But again, they had very stringent controls over potential conflicts of interest. In this case, it looks like—

Mr. KANJORSKI. Do the other two branches of Government participate with the President on that exchange program?

Mr. UNGAR. We know that the Legislative Branch does. Again, I'm not sure about the Judicial Branch. But we participate in the Presidential Exchange Program, so I know the Legislative Branch does. I'm not sure about judicial.

Mr. KANJORSKI. Do either of you have anything else you could add that would be helpful or you feel should come to the attention of the Congress?

Ms. WINEHOLT. I don't think so.

Mr. KANJORSKI. The only impression that I had in describing your study is that you did a lot of the basic procedural work that really should have been done by OPM. As a result, you probably didn't have all the material available to make the overview that hopefully you could have made; is that correct?

Mr. UNGAR. Yes, sir. The dilemma was it was a mammoth undertaking just to get the basic information on the number of agreements, the cost, the time periods, and who was participating. That wasn't available at a central source. Actually, what Mr. Weiss wanted us to do was to go and do the study you're suggesting: how is this program being used, is there any abuse? But we didn't have the basic information to start to do that, so we had to do the overview first and then, as you know, we sort of stopped.

Mr. KANJORSKI. I assume there is no standardized agreement, that everybody writes their own agreement?

Ms. WINEHOLT. There is a standardized agreement. It's called an optional form that has certain things that are supposed to be on it. Most of the agencies are using it. A few of the agencies are using something they have developed themselves with all the basic ingredients in it, but the one we looked at in particular, HHS, has had a lot more detail than the standard optional form did.

Mr. KANJORSKI. If you could do more study of the program, what would you do?

Mr. UNGAR. I think we would look at exactly what's going on with a sample of individual assignments, to make sure that those assignments are in accordance with the requirements and that there are no conflicts of interest. That's probably what one would look at. Now, whether we should do that or OPM should do that, that would be, I guess, the question. But that seems to be the next step, if there is a next step. I would suggest first that the Congress might want to deal with the purpose of the program so that we know what we're looking for, because I think we have already documented pretty well that the use of the program is largely not consistent with the purpose.

Mr. KANJORSKI. But it is following an interpretation of the purpose?

Mr. UNGAR. Not necessarily the purpose, but the Act authorizes the activity—In other words, the Act authorizes the agencies to bring in people from colleges and universities and to perform whatever basically the agency's mission is. So it's not a question of the activity not being authorized. It's a question of is the activity consistent with the purpose of the program. So there's a little disconnect. Again, it's a legal issue, the best we can determine. But is this what you want this program, as the Congress, to accomplish.

Mr. KANJORSKI. In other words, we're not sending expertise in the Federal Government out?

Mr. UNGAR. Right.

Mr. KANJORSKI. We're really using it as a way of placing consultants from academia in the Federal Government.

Mr. UNGAR. And is it intergovernmental, in the sense of traditional State and local governmental entities versus colleges and universities?

Mr. KANJORSKI. Overwhelmingly, these are coming from colleges and universities.

Mr. UNGAR. On an overall basis. Again, there are certain agencies, like EPA, that aren't overwhelmingly using colleges and universities, but on an overall scale, that's correct, government-wide.

I think before we launch into more studies, you might want to think about the purpose. I mean, if you're happy, if you feel this is okay—and again, there are benefits; we're not saying it isn't beneficial—then I guess you don't have to do anything. Agencies can continue to use the program and then you can decide whether you want OPM to periodically report to you on a more systematic basis on what's happening with the program, or if you want more in-depth studies as to how are individual agencies using individual assignment agreements to achieve—

Mr. KANJORSKI. Are most of these people being brought into the Washington area as opposed to other areas of the country?

Ms. WINEHOLT. We didn't examine that.

Mr. KANJORSKI. Well, thank you very much. We appreciate it. We may ask you for further studies, so stand by.

Mr. UNGAR. Okay. Thank you.

Mr. KANJORSKI. Our next witness is Leonard Klein. Mr. Klein, would you raise your hand, please.

[Witness sworn.]

STATEMENT OF LEONARD R. KLEIN, DEPUTY ASSOCIATE DIRECTOR, CAREER ENTRY AND EMPLOYEE DEVELOPMENT GROUP, ACCOMPANIED BY ARDREY HARRIS, CHIEF, PERSONNEL MOBILITY PROGRAM, OPM

Mr. KLEIN. Good morning, Mr. Chairman. I have Mr. Ardrey Harris, our program director for the IPA program with us this morning, also.

Mr. KANJORSKI. Very good. Nice to have you here, Mr. Harris. We appreciate the opportunity of having the two of you here, so we can have your expertise.

I assume, Mr. Klein, you do have a statement.

Mr. KLEIN. Yes, I do, sir. I have a statement of Constance Newman, our new Director of OPM. She wanted to be here today but regrets, due to the press of business during her first week on the job, she was unable to prepare sufficiently for this and asked me to represent her.

I would like to give you some background on the program. The purpose of title IV of the Intergovernmental Personnel Act was to provide for the temporary assignment of personnel between the Federal Government, State and local governments, institutions of higher education, and certain other organizations. Authority to

enter into agreements rests with the heads of departments and agencies and does not require prior approval of OPM. Assignments may be made by the head of the Federal agency for work of mutual concern to his agency and the non-Federal organization that he or she determines will be beneficial to both.

Assignments are generally used to share scarce expertise, assist in the transfer and utilization of new technology and approaches to solving problems, and to provide program and development experience for assignees.

The basic provisions of the Act provide that assignments are initiated and controlled by agency management; an assignment may be made for up to two years and may be extended by the head of the Federal agency for up to two more years. Conditions of an assignment such as job duties, cost sharing, and employee benefits, rights and obligations, are between the two organizations involved.

Cost-sharing arrangements are worked out between the participating organizations. The Federal agency may agree to pay all, some, or none of the costs.

OPM's role in the administration of the program includes: first, the developing and prescribing of regulations, policies, and procedures for managing the program; second, providing information and assistance to the Federal agencies and other interested organizations on the appropriate use of the assignment authority; third, collecting and reviewing assignment agreements to assure that the assignments are made in conformance with program requirements; fourth, monitoring Federal agencies' use of the assignment program; and, fifth, certifying the eligibility of certain organizations to participate in the program. Those are nonprofit organizations which have as one of their principal functions the offering of professional advisory, research, educational, or development services to governments and universities concerned with public management.

In May 1979, OPM initiated changes in program requirements which, first, limited participation to career Federal employees; second, limited the time spent on agreements under the authority by a Federal employee to a total of six years during his or her career; and, third, authorized OPM to terminate assignments or take other corrective action.

The Comptroller General prohibited the payment of overhead costs in September of 1974.

The IPA mobility program, operating since 1971, has resulted in more than 14,000 assignments between Federal agencies and eligible non-Federal organizations. Two-thirds of the assignments, about 9,500, have involved movement of non-Federal employees to Federal agencies, with most of these assignments coming from educational institutions.

Of the approximately 4,500 Federal employees who have been temporarily assigned to non-Federal organizations, 74 percent, 3,300 roughly, have gone to State, local, and Indian tribal organizations.

The average length of assignment in the program is 18 months. Federal agencies pay, on average, 70 percent of the costs.

During fiscal 1988, 892 new agreements were initiated. OPM reviews all new assignments. In an average month, we return about

45 agreements out of 150 reviewed. About one-third of those reviewed are returned to agencies to make modifications to ensure their compliance with the law and regulation. We also require the termination of assignees due to ineligibility in about 10 percent of those cases. So four or five people a month are terminated in these assignments because we find the arrangement is improper.

These are primarily people coming into the Federal service, and the principal problem there is that the regulation requires that they be full-time permanent members of the institution they are coming from, and often we find someone who has not been there for at least 90 days prior to the assignment. We find in some cases people are only there 30 days on board before they come in, or they are post-graduate students rather than full-time faculty members, that sort of thing. There have been no terminations of Federal employees going the other way for those kinds of reasons; they all have been career employees.

Mr. KANJORSKI. Have you suspected in any way that there is some abuse when this happens?

Mr. KLEIN. No. Agencies have been very cooperative. When we bring it to their attention, the assignments are terminated, and the agencies are cooperative.

Mr. KANJORSKI. Were there any attempts to circumvent the regulations or were there mistakes?

Mr. KLEIN. A misapplication, a misunderstanding.

We believe the IPA program serves very useful purposes in maintaining the flow and transfer of knowledge and expertise between Federal, State, and local governments and nonprofit organizations.

I might add a comment on the purpose. It has been stated that there has been a shift over the years from State and local to academia. In our looking at the kinds of agreements that are entered into here, it strikes us that the world and the Government have changed drastically over the last 20 years, and the kinds of things that interest us have changed, particularly those agencies. State and local government has been the largest growth factor in our work force, growing in both numbers and sophistication, while our national interests have turned to the environment, to major public health issues, to major technology issues, so that the interest today among those agencies and academia has grown far more rapidly than their interest in the dialogue with State and local government.

So we think the act has served a very useful purpose and has been quite a flexible instrument for agencies to meet their needs and to keep a dialogue and a flow of information going between those institutions and the Federal Government that provides the greatest public good. So rather than damning the program for that shift, we think it is actually a compliment to the way the program has been structured to meet those needs.

We would be available to answer any questions you may have.

Mr. KANJORSKI. In that regard, you don't feel that it is an attempt by the Federal agencies to circumvent hiring practices and to reach down to academia to get consultants?

Mr. KLEIN. No. To give you some data, in an average year, we hire 130,000 people into the career Federal service, so 800 people a

year is peanuts, and when you break that up among the agencies that have been involved, it gets even smaller, so that to use this as a tool for getting around a ceiling is just—it would be a very ineffective tool if they were to try to use it that way.

Mr. KANJORSKI. Is it possible that it is used to get around consulting service limitations?

Mr. KLEIN. We haven't had that impression. The people brought in from academia have been in fields, for example, with the National Science Foundation or with the Navy or others, the VA, where they contribute directly to a specific issue that they are dealing with, chairing a committee, looking at a major scientific issue, or helping with a particular medical problem in a VA organization.

We think that both the Federal Government and the assignee gain from that kind of an interchange, and certainly we think it must be to the benefit of those assigning organizations, or otherwise they wouldn't send their people. They are not making money on the program.

Mr. KANJORSKI. Is there any profile that would exist for what we call the average or the regular person assigned? Are they primarily in the research area, or are they in the applied technical area, or are they in management and administrative areas?

Mr. KLEIN. I think it would depend on the agency. With EPA, the Navy, the VA, the National Science Foundation, for example, they would be very technically oriented. They would be scientists, engineers, not managers. With the HHS, although they can speak for themselves, I suspect they are sending administrative experts, public health experts, for example, to Indian tribal organizations, education people, the same kind of interchange.

Mr. KANJORSKI. Doesn't it seem to appear, Mr. Klein, that the flow seems to be from the State and local governments and the colleges now to the Federal Government rather than from the Federal Government out to those areas, where we seem to have the expertise and hold the dominant role?

Mr. KLEIN. Well, the numbers have declined, but in the last three years, about 25 percent of our assignees are going to the State and local governments, so that interchange is still going on. It has declined in terms of overall numbers because of the increase in the interest in interchange with academia, but it hasn't stopped, and I think, again, truly, the State and local governments have become far more sophisticated and don't rely on us as much as they once did.

Mr. KANJORSKI. This all happened just in the last eight years of the Reagan administration?

Mr. KLEIN. The last probably eight or 10; it has been a growing thing over the 20-year period.

Mr. KANJORSKI. But it seems to be precipitously a change in how the flow is programmed. I mean you just say the country became sophisticated in the last eight years?

Mr. KLEIN. We have seen a change.

Mr. HARRIS. I think there are two reasons for it. I think initially there were a larger number of assignments to State and local governments because OPM's Bureau of Intergovernmental Personnel Program, which also included a \$20 million-a-year grant function

and a very extensive technical assistance function, went out to the States and actively promoted assignments with State and local governments, and they did it at a time when awareness of the program was minimal among Federal agency managers. We have never promoted the program among Federal agencies.

Mr. KANJORSKI. So it is a learning curve.

Mr. HARRIS. Exactly.

Mr. KANJORSKI. The Federal and State Governments forgot about your promotion because their administrations have changed, and the Federal managers have started——

Mr. HARRIS. Exactly, and I feel that——

Mr. KANJORSKI. Doesn't it strike you fellows that you may have a learning and educational responsibility to get out there again to the State and local governments and say, "Hey, we have this program," and then to implement it?

Mr. HARRIS. I think that might be useful, but I think that the drop-off was natural for two reasons. One is that we lost our grant program and technical assistance program in 1980 or 1981, so that we no longer had any mechanism for addressing State and local governments.

Mr. KANJORSKI. You mean you couldn't pay them, the people?

Mr. HARRIS. No. We couldn't go out and talk to them about ways to use the program.

Mr. KLEIN. As I understand it, originally, the bureau that handled this program had 100 people doing this work, a \$20 million program, which was eliminated around 1980 by appropriations being eliminated, so that the program was scratched.

Mr. KANJORSKI. And this was done at the request of whom, Mr. Klein?

Mr. KLEIN. As I understand it, the Congress cut the money.

Mr. KANJORSKI. Oh, the Congress cut the money?

Mr. KLEIN. Yes, out of our budget.

Mr. KANJORSKI. I see.

So that you would favor, if the Congress reimplemented the grant program and told OPM to go out and sell the program? Would you recommend that?

Mr. KLEIN. I couldn't speak for our new director, but we would certainly look at that with great interest.

Mr. KANJORSKI. You are sure this was not a presidential request to gut this program?

Mr. KLEIN. I, of course, was not in OPM at the time, I have only been there two years, but——

Mr. KANJORSKI. I am one of these people who believe everything that happened around 1981 came from one direction, Pennsylvania Avenue, but I could be wrong.

Mr. KLEIN. You may be right.

Mr. KANJORSKI. My assistant tells me that it is in the presidential request of 1981's budget to cut this program. So you would now properly lay the responsibility at the proper end of Pennsylvania Avenue if you didn't have the funds and the grant money. Is that correct?

Quite frankly, I am a little disturbed, because the way I found out about this program is very interesting. I was a city solicitor of a very small city in Pennsylvania, and we had the need for Federal

help right after the flood, the flood Agnes, and we asked for certain assistance, and it was provided under these types of programs, by this program and a technical assistance program that is administered by the Economic Development Administration.

Subsequent to that in the early eighties, I represented this community and other communities that needed technical Federal assistance, and we made requests and then found out it was no longer available. Not only was it no longer available, it practically became a hidden program from the States and the local governments, and I think it has pretty much remained that way.

So I am a little surprised to hear you say that, you know, it is the sophistication level of the States and Federal Governments that changed the demand for this program. I have to tell you, quite frankly, that when I ask most State and Federal and local officials about the program, they don't even know about it any more. "There used to be a program way back in the good days," they'd say, "where we could get assistance, but it doesn't happen any more."

So I don't think, if I were you, I would draw that conclusion. This is not from a study I have made but just talking with people. It is a lack of knowing about the program.

Now the question is, your agency has been administering it, do you think there is any merit to the program, or should we scrap it? What is your opinion?

Mr. KLEIN. We think there is great merit to it. The agencies seem to think it is meeting their needs and providing a useful flow—

Mr. KANJORSKI. If it is meeting the needs of Federal agencies, where we are getting expertise from the academic world and from other lower governmental institutions, why aren't you fellows aware of the fact that it just may help State and local governments solve some of their problems if we got out there and put this program, this expertise, out in the field?

Mr. KLEIN. Yes, sir, we believe it does, and we are still moving about 25 percent of the assignees to State and local governments.

Mr. KANJORSKI. Isn't the flow about 87 percent or 83 percent from the lower area to the Federal Government as opposed to the other way? I mean doesn't the flow become way overweighted towards people flowing into the Federal Government as opposed to flowing from the Federal Government out?

Mr. KLEIN. Yes, that is true.

Mr. KANJORSKI. Hasn't that at all called to your attention that something may be missing here? I mean have you internally talked about this problem inside, or have you just said, gee, nothing is happening, this is just natural?

Mr. HARRIS. I don't think that it has ever been our interpretation that the intent of the program was to be used primarily to address State and local government personnel needs.

Mr. KANJORSKI. Disbursing expertise.

Mr. HARRIS. Yes. I think that we always felt that the program could be used appropriately not only to serve State and local needs but to serve the needs of the other organizations that were made eligible to participate in the program, including Federal agencies and colleges and universities, so that we have never, I don't think,

become alarmed over the shift from State and local government to predominant use by Federal agencies bringing expertise in.

Mr. KANJORSKI. You heard Mr. Ungar's testimony that the clear purpose and intent of Congress was to disburse Federal expertise to other governmental areas and other entities. You would agree with that, wouldn't you?

Mr. HARRIS. No, we have never felt that that was the purpose of title IV.

Mr. KANJORSKI. I see. You define it as a purpose for the Federal Government to gain expertise.

Mr. HARRIS. No. Our view has always been that it is simply an authority that facilitates the assignment of employees between all of the eligible organizations. The title simply doesn't focus on personnel—on State and local government personnel.

Mr. KANJORSKI. If, in fact, there was at least a 50/50 intent on Congress to have the flow of expertise from the Federal level to the State and local level, what kind of suggestion for an amendment to the statute do you need to get that message?

Mr. HARRIS. I think we need to start promoting the program among State and local governments.

Mr. KANJORSKI. But what does Congress have to write into legislation to give you an indication of what our intentions are? From everything I know about that program, it was to disburse Federal expertise to the States. I am surprised to hear how one-sided the program has become, and part of the reason we want to do this oversight is because we recognize—I do anyway—that something appears to be less than adequate here in terms of how the program is administered or what you are doing or why there has been a shift in the flow.

Mr. KLEIN. Mr. Chairman, I think as Mr. Ungar mentioned, we are not sure that the flow doesn't occur if people come to the Federal service rather than the other way round. Certainly if an official of a State or local government joins us for a year or an Indian tribal organization, they certainly gain expertise they can take back. One individual going out to that organization—

Mr. KANJORSKI. You persist in a hard argument, Mr. Klein. You may be right.

Mr. KLEIN. I think there is some flow whichever way it goes.

Mr. KANJORSKI. Well, there is.

What do we have to do to send an adequate message to the Office of Personnel Management that we want to disburse expertise held in the Federal Government to the State and local levels? What do we have to do? Would you like an amendment to change that to more specifically set out that there is a mission out there to be accomplished?

Mr. KLEIN. I think just an indication of your interest would perhaps have us look at the program and see what we could do.

Mr. KANJORSKI. Well, of course, I can't speak for the Congress myself. I suspect you know where my interest is. I would like to see some help out there.

I will describe a program to you. I have recently run across a technology which the Federal Government has been spending millions of dollars on, perhaps hundreds of millions, by at least five Federal agencies, all of which, interestingly enough, have almost

the same level of expertise. Unfortunately, they don't talk to each other or do so seldomly and have not organized any way to implement that technology.

Having served in another life in this Congress on the Science, Technology, and Space Committee, I recognized very quickly there that we are spending billions of dollars in this country for research and development, particularly in academia, and it is most disappointing to me that when we make those grants and those assignments we don't include a development to implement that technology, so that if there is success, what are we going to do to use that success in America? What are we going to do in American industry or wherever we are going to use it?

We seem to be always talking about doing research, coming up with technology, and then it dies and sits in some inventory somewhere. Quite frankly, most often the one country in the world that knows how to get at the advantage of it is the Japanese. They have great expertise, study, and they seem to be the major buyers of our patents of most of our technology at this point. They are the biggest customer of the United States Government for research and development.

What are we going to do to organize and put together the type of implementation of this technology if we don't use programs like this, if we don't have that flow to go out? In the experience that I talked about, we have a solution out there for a lot of pure water systems or purifying of water systems throughout the country that is needed, and billions of dollars are being spent both on the State and the local level, and they are not aware of the technology.

It would seem to me that if somebody were promoting your type of a program you would know, out of those five agencies, maybe you would discover at least one of them that said, "Here's a new technology; send this guy out to some State—California, New York—and tell this agency, whoever is in charge of the environment, what we have discovered and been working on for these 15 years." If we don't use your type of a program, what kind of a program do you suggest?

Mr. KLEIN. Yes, I think the program could be useful that way. I think the way the program was initially structured, however, in terms of encouraging agencies to use it essentially for their own mission in terms of moving information from their organization or back from academia to the State organizations has been useful and has been productive, but there didn't seem to be an attempt in the original bill—and there could be—to have the kind of organized effort that you are describing, and that may be useful. I think the way the bill was originally structured that wasn't quite as forcefully stated as you have put it.

Mr. KANJORSKI. Have you been working on any system? You heard me talking to Mr. Ungar. I am particularly disturbed with the failure of the Federal Government on the executive level to organize itself and to speak with one voice. I find it incredible, whether it is a disaster I go to or an environmental problem, that you end up with five, ten, Federal agencies represented on an equal plain, and they all have a little part of the puzzle. Unless you get every part there, it doesn't come together, and even if you do get all of them there, it seldom comes together because they are jeal-

ous of letting each other know what they individually know. Have you been working on how we can cure this? I mean is this a type of program that needs enlargement, or are there other programs?

Mr. KLEIN. We have not been working on that.

Mr. KANJORSKI. The executive czar system I am talking about, doing what corporations do out there, assign a singular executive to pull from the various divisions of the corporation the expertise to accomplish a problem, in other words, really goal oriented?

Mr. KLEIN. Yes, and I am not sure where that should be, if there were such an organization to do that. That is a good question, but I guess I don't have an answer for it.

Mr. KANJORSKI. From my own personal experiences, having gone through the greatest natural disaster in the history of the United States—the flood Agnes hit my district with a material cost of over \$2.5 billion, flooding almost 30,000 businesses and homes, so it was quite a disaster. What we discovered at that time is that it took 30 or 60 days for the Federal Government to realize that it had the inability to operate because of all this.

Finally, the President took one of his chief assistants and designated him as the czar and gave him extra special executive authority to force these agencies to work. After that, everything worked.

I have often wondered why, from that experience—of course, this was back in the presidency of Richard Nixon—why hasn't OPM or someone on the Federal level charged with overseeing personnel put something together to accomplish this? Or are you not aware that this is a problem out there?

Mr. KLEIN. I have been generally aware that that is a problem, but OPM has not moved into that area. Perhaps the Federal Emergency Management Agency—something like that.

Mr. KANJORSKI. Yes. For an emergency they have got the jurisdiction, but everything isn't always a Federal emergency.

I hear it most described, I guess, in the simple phrase that people say, "If you are dealing with the Federal Government, you can't get there from here." It is the inability to get between two points. I guess that is why we find the criticism of "bureaucracy" in everything. I have worked with enough Federal administrators and people that I don't adhere to this criticism. They are knocking down these bureaucratic walls. They are competent people, they like to do their job, and they themselves are very frustrated on how they can exercise greater authority to accomplish an end as opposed to just being a part of the picture.

Mr. KLEIN. Yes.

Mr. KANJORSKI. Are you working on anything along these lines, or should we in the Congress be looking at this type of a program to enlarge it to encompass something like that?

Mr. KLEIN. We are not working on that, and I am not sure it would be within our mission to have that kind of oversight among agencies for that kind of a breadth of issues beyond purely the personnel management side.

Mr. KANJORSKI. The General Accounting Office's report has been very critical of OPM's management of the oversight of the program. Have you had an opportunity to look at their study?

Mr. KLEIN. I got a copy last night, and I read it quickly.

Mr. KANJORSKI. Do you want to respond to any of their conclusions or criticisms that they have made?

Mr. KLEIN. My reaction was that we can certainly provide more oversight, although reviewing every agreement—every agreement—is far more than we would do in hiring, for example, 1,000 senior executive members among agencies. Agencies have the authority to take personnel actions to hire, fire, train, involving millions of dollars, without our oversight on every action. The fact that we look at every assignment agreement here and correct many of them before they are actually put into place seems to me to be far more oversight than would be normally the case.

So as long as this act has said that it has given agency heads the authority to enter into these agreements with outside organizations in areas they believe to be of benefit to the Federal service and that agency, we believe we ought to allow managers to manage, let them enter into those agreements, and certainly if you look at 100 percent or even 90 percent, it is review that is far harsher than in most other programs.

Mr. KANJORSKI. The problem is, when we ask you the question, "Can you tell us whether this program has been successful? What are its weaknesses, what are its strengths, and what would you recommend should be changed about it, what should be enlarged, or what should be removed?" are you capable of telling us that, with the limited information you seem to have as a result of no oversight?

Mr. KLEIN. We believe, working with the agencies, that it is meeting their needs, and we feel that was the original intent, to help agencies transfer this information. If they are satisfied that is being done, we believe that the—

Mr. KANJORSKI. But the Congress wants to know whether or not we have a good program going out there and whether it is being properly administered. How do we know if you don't make reports?

Mr. KLEIN. We haven't found and neither has GAO found illegal assignments. We think that they are being properly—

Mr. KANJORSKI. Mr. Klein, I am not talking about legality here or I'm not talking about abuse, I am talking about, what have we found that is good, and should we do more of the good, or have we found something that is just marginal in its application and it doesn't warrant any more of our time or any more expansion?

I am thrashing around trying to find a way to solve real problems—that is, for the Federal Government to start administering and making executive decisions from one voice. Can I find that out? Do you have adequate information from your oversight to tell me whether this is the vehicle to do that? I gather that Mr. Harris here comes to the conclusion that it is successful because we are getting more from the lower area coming up to the Federal Government than not. Is that correct?

Mr. HARRIS. No. What we can do is tell you whether or not the program is being administered correctly in terms of the administration, but all of the agencies can tell you—

Mr. KANJORSKI. Who is going to tell us whether it is a good program or not?

Mr. HARRIS. Only the agencies can tell you that.

Mr. KANJORSKI. You mean we are going to have to call 48 agencies of the United States Government and ask them whether we have put a good program out there?

Mr. HARRIS. The authority is not OPM's authority, it is a decentralized authority. The authority to enter into these agreements rests separately with the head of each agency.

Mr. KANJORSKI. I think you are missing what I am talking about, overseeing agreements individually and overseeing a program. We have got to go somewhere to ask whether or not we are doing the right thing in legislating, and it seems to me the Office of Personnel Management is the branch of the executive government that is supposed to tell us that.

What weaknesses do we have out there? I don't know how you can tell us the weaknesses if you can't tell us the strengths and you don't know how it is happening. Somebody has got to have a handle on saying, "We are spending"—and this is a fictitious amount—" \$142 million, and it is accomplishing what normally would take us \$200 million to spend." That is a pretty good expenditure—\$142 million for \$200 million—that would be a good exchange. But if you tell us we are spending \$42 million and we could accomplish the same thing if we hired \$20 million more in Federal employees, then we have got a real inefficiency problem and we shouldn't be doing it.

Shouldn't we have some measure? Shouldn't we have somebody making an analysis and oversight, staying on top of it, and just coming down to them and saying, "Look, if you change this, that, or the other thing, we could be that much more efficient"?

Mr. KLEIN. We intend to do more of that. We certainly will. As a result of GAO's comments to us informally some months ago, we have made some adjustments to increase the efficiency of the oversight, and I think from your remarks this morning we will certainly look at the program and see what we can do in that regard.

Mr. KANJORSKI. From my understanding right now, there is really nobody in the executive branch of the Government that could tell us what is being spent on this program. Is that what you are telling us? You really don't know how much is being spent?

Mr. KLEIN. I think we can get awfully close.

Mr. KANJORSKI. Mr. Klein, that is what HUD told us last week—"We can get awfully close." Shouldn't somebody be able to push a button on the computer and tell us that? I mean that doesn't seem strange to me.

Mr. KLEIN. With our annual reports that tell us who is out there and what the assignment costs are, we can certainly summarize that and provide that on an annual basis in terms of what the program is costing.

Mr. KANJORSKI. Further, if people are critiquing the success of these contracts, you could get an idea how much of that expenditure was thought to be very successful and of what value to the Government and what was not thought to be successful and of little value to the Government. Couldn't you add those types of questions and critiques in that could be fed in and almost kept on a computer?

Mr. KLEIN. Yes, sir. I think the five agencies that have cleared the most people through this program can tell us that, too, and what benefit they have seen in their particular program.

Mr. KANJORSKI. I know, but the problem is, again, they could tell you that, and then who is going to tell the Congress?

How about the idea of—we gave it up—a report to the Congress on a yearly basis? Do you think we should maybe reinstate that piece of the legislation just say, "Obviously, we haven't had this type of analysis made, and it would be valuable, so let's go back and have a report made every year"?

Mr. KLEIN. If that is what you desire, we will certainly respond.

Mr. KANJORSKI. Would it be helpful? Is this one of the tools we should use in solving the problem? I think we mutually agree there is less information available to the Congress than probably should be on this program.

Mr. KLEIN. I think, as a result of this morning's expression, I am certainly going to ask for a more intensive report each year, or semi-annually, on how this program is going. But I think, again, the focus has to be on, is it providing the utility for the organizations for which it was initially established? If the Congress wishes a report, we will certainly respond to that formally, but we intend informally to do that within OPM.

Mr. KANJORSKI. Has there been any study made by OPM as to whether there is a potential conflict of interest in any of these areas, particularly in the academic world? Have any of these people that have come into the Federal Government under agreement then subsequently gone back to their institutions which then have received substantial grants from the United States Government? Do you know of any of that?

Mr. KLEIN. We are not aware of that, sir.

Mr. KANJORSKI. Do you have information that would have brought that to your attention?

Mr. KLEIN. No.

Mr. KANJORSKI. In other words, you are not making a finding in that area?

Mr. KLEIN. No.

Mr. KANJORSKI. Do you think that would be worthwhile?

Mr. HARRIS. No.

Mr. KANJORSKI. You don't think it would be worthwhile? We really don't care?

Mr. HARRIS. No, I just don't think that there is any indication that there is a real problem. There might be.

Mr. KANJORSKI. We may be educating 100 or 200 people on how to turn the screws on the Federal Government.

Mr. KLEIN. If we were bringing people in from the private sector, I would say yes, definitely.

Mr. KANJORSKI. You think the private sector is less trustworthy than the academic community?

Mr. KLEIN. Well, I think the academic interests tend to be more specific to an individual problem that an agency is having.

Mr. KANJORSKI. Aren't they the largest receivers of Federal grant research and development money? Isn't that where the money really flows, and if there is a problem in that area, isn't that where we should probably look?

Mr. KLEIN. Perhaps, yes.

Mr. KANJORSKI. Okay. Well, thank you very much.

Mr. KLEIN. Thank you, sir.

Mr. KANJORSKI. Mr. Klein, so you understand me, I am a very straightforward guy, and we just talk.

Mr. KLEIN. I appreciate that.

Mr. KANJORSKI. And I hope you don't think that the candor with which I speak is any idea of my holding of the program or your office or how it is handled; it isn't. I am not one of my colleagues up here that spends 15 minutes dancing around telling you how great you are before we get to the business. I like to go right to it.

Mr. KLEIN. I didn't get that impression at all, sir.

Mr. KANJORSKI. I appreciate that. Thank you.

If we have additional questions, will you answer them for the record?

Mr. KLEIN. Of course.

Mr. KANJORSKI. Thank you.

[Witnesses sworn.]

Mr. KANJORSKI. For the record, on the third panel we have Mr. Kenneth Dawsey, Director, Office of Human Resources Management, Office of Administration and Resources Management, Environmental Protection Agency, and Thomas S. McFee, Assistant Secretary for Personnel Administration, Health and Human Services.

Gentlemen, welcome to the panel.

Do you have prepared statements that you would like to give? If you do, we will accept those. If you could synthesize them, we would appreciate that.

Mr. Dawsey.

STATEMENT OF KENNETH F. DAWSEY, DIRECTOR, OFFICE OF HUMAN RESOURCES MANAGEMENT, OFFICE OF ADMINISTRATION AND RESOURCES MANAGEMENT, ENVIRONMENTAL PROTECTION AGENCY

Mr. DAWSEY. Thank you, Mr. Chairman.

It is a pleasure for us to be here this morning to give testimony on behalf of the IPA program.

EPA is and has been since the program's inception a heavy user of the IPA mobility program. Unlike, I guess, the GAO finding on Government-wide usage, the majority of EPA's usage has been to send Federal employees out to State and local governments. As a matter of fact, of the current 144 assignments that we have as of today, 120 of them are employees of EPA out to State and local governments, universities, and nonprofit organizations. Of that 126, the predominant number of them are to State and local governments, with only about 10, I guess, to nonprofits and to universities.

We see the IPA program as enabling us to carry out a very necessary part of our mission, and that is to extend a network of people who are interested in participating in prevention and clean-up.

We, over the years, have developed a relationship with States to where we have a State EPA Coordinating Committee. The strong

advice of the State members on that committee is that we should continue to utilize the IPA program to lend an expertise and, in point of fact, that we should increase that program.

This year, we have been endeavoring to do just that by creating a more effective network of coordinators between our regional officers and at the State level so that needs will be known and we have a means of brokering assignments across organizational lines.

From time to time, we have used our grant authority under various pieces of either clean air or water legislation or RCRA legislation to actually fund, at least in part if not totally, IPA assignments of Federal employees going out.

So, in summary, we are heavy users of the IPA program. We think we are utilizing it in the way that GAO suggested earlier that it should be used, and we would certainly hope to see the program continued and continue to be supportive.

I would be happy to answer any questions.

[The testimony of Mr. Dawsey follows:]

STATEMENT OF KENNETH F. DAWSEY, DIRECTOR, OFFICE OF HUMAN RESOURCES MANAGEMENT, OFFICE OF ADMINISTRATION AND RESOURCES MANAGEMENT, UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Good morning, Mr. Chairman and members of the Subcommittee. I am Kenneth F. Dawsey, Director of the Office of Human Resources Management for the United States Environmental Protection Agency (EPA). I am pleased to have the opportunity to talk with you about the Intergovernmental Personnel Act [IPA] Mobility Program, and I am especially pleased to offer the members of the Subcommittee my views about the impact of this program on EPA's mission.

EPA has participated in the Mobility Program since its inception in 1971. Historically, most—85 percent—of our IPA assignments have been those in which EPA personnel work in other organizations, as opposed to the other way around. We have had over 400 IPA assignments initiated over the past 5 years—344 have been outside the Agency. Between 1984 and 1988 we have averaged approximately 125 assignments active at any one time.

The IPA program has served as an extension of EPA throughout the environmental network. We see it facilitating new federalism with State and local governments as our programs are delegated more and more to their level.

Complex, far reaching legislation such as the Clean Air Act, the Clean Water Act, or Superfund need more than Federal resources. EPA must leverage an extensive network of State and local governments, colleges and other non-profit organizations to effectively carry out our responsibilities. The IPA program lets us lend expertise to this network through mobility assignments. This is the fastest, most effective way we know to multiply the Nation's environmental expertise level. Without IPA mobility assignments, it would be extremely difficult for EPA's partner institutions to get the right skills in the right places, at the right times.

Last year EPA began an extensive IPA enhancement effort. EPA received strong endorsement for doing this from our State-EPA Committee which has been calling for more and more assistance. Agency management was asked to look for opportunities to increase the number of IPA assignments. We instituted several new initiatives to improve communication both inside and outside the Agency. We installed systems to identify organizational needs and broker the positions and people to meet these needs. As a result of these efforts, EPA anticipates expansion of our IPA efforts. As of June, 1989, we have 144 employees on mobility assignments.

Our ability to meet State and local government needs is limited by EPA's current personnel and funding levels. We have taken steps to address this by establishing an IPA Pool in the Agency, of six Full Time Equivalencies [FTE's] and \$317,000. This will go a long way to relieve the strain on our Regions and Program offices. Overall, our IPA program costs slightly under \$8 million a year. About half of this amount is paid by the recipient hosts. In addition, we have on occasion leveraged agency funds, by using grants to support IPA assignments. For example, our San Francisco Regional Office has about 20 current IPA assignments funded through this mechanism.

IPA Mobility assignments go where the needs are. Of our current 144 assignments, 126 are EPA employees working outside the Agency. By far the largest segment, 54 percent, are assigned to State governments. Local and Regional governments receive 18 percent. Another 18 percent go into colleges and universities, and 10 percent are assigned to non-profit organizations such as the National Association of Towns and Townships, and the National Governors' Association.

To give you an idea of the kinds of functions that are being carried out by these IPA assignees: 32 percent are performing specialized functions having to do with program implementation or program management; 32 percent are carrying out technical assistance functions, 18 percent are assisting on policy development; and another 18 percent are performing education or training.

There is a secondary benefit too. When their IPA assignments are over, EPA employees return with a better understanding of our counterpart agencies' operations and problems.

Thank you for the opportunity to appear before the Subcommittee today. The IPA is an integral part of our Agency's program delivery system. It gives EPA unique flexibilities in broadening the base of knowledge and understanding of all parties, at the Federal level, as well as at the level of our State and local partners.

I would be happy to answer any questions at this time.

Mr. KANJORSKI. Thank you very much, Mr. Dawsey.

STATEMENT OF THOMAS S. McFEE, ASSISTANT SECRETARY FOR PERSONNEL ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. McFEE. Mr. Chairman, I thank you for asking us to appear today. I think your staff has probably told you that the Department of Health and Human Services is a big user of the Intergovernmental Personnel Act mobility program, and therefore I am pleased to be able to give you some practical, down to earth, real experiences that we have had with this program.

I go into some detail on the use of the program in my prepared statement, and I won't repeat that, but I would like to summarize what all this means in relationship to running one of the largest domestic agencies in the Federal Government.

We have used the incoming part of the program to obtain expertise and skills that are not available in our work force. We currently have 42 people on IPA assignments into the Department, and about 70 percent of those are from universities, and they are working at our National Institutes of Health.

I'd like to add at this point only that, in addition to assisting us in helping with the mission of our agency, these assignments are also of great benefit to the organizations that provide the individuals and to the individuals themselves. It is important as training, it is important in the area of exchange of scientific information, and it allows many of our leading scientists in the academic community to come work side by side with some of the world's greatest researchers. Also, in reaction to some of the comments that followed the discussion by GAO, I would like to add that pay is only one of the factors that attracts us to this particular program.

It is very difficult to take a scientist in mid-career in the academic community and bring them in for a short period of time to contribute to a vital research project in the national interest and tear them apart from their university security, their seniority system, their benefit programs, et cetera, and therefore we find the IPA program is very, very helpful in being able to have these people detailed, knowing that they are not going to stay, knowing they are

not going to make a career of the Federal Government, and be able to exchange without having to switch personnel systems.

On the other side of the program, the outgoing part of the IPA program also provides very beneficial assistance to the eligible organizations. We currently have 136 people on IPA's outside of the Department. If you remember, I told you we had 42 coming in and 136 going out, so surely our use of the program is not following the trends that you have heard from the other speakers—witnesses, this morning.

Out of those 136 assignments outside of the Department, 131 of them are assignments to Indian tribal organizations that provide health care to Indians under the Indian Self-Determination and Education Act, which is Public Law 93-638. Let me explain briefly how 93-638 works.

Our Indian Health Service provides full health care to the Native Americans and Alaskan Natives in over 100 health care facilities across the country. The actual service is provided by a combination of civilian and Commissioned Corps employees of the Department. Under 93-683 an Indian tribe may form their own company and, in essence, contract with the Department to provide their own services. We provide the funds to pay for that contract out of the money that we would have used by providing direct health care.

As part of the transition to full operation and ownership by the tribes, there is a transition period, and we use a number of personnel mechanisms to assist us during that transition. For example, the tribes can hire our employees directly, and they can go to work for the tribes. There are also some special personnel provisions that allow the employees that are hired by the tribes to remain in the Federal retirement system and retain some other benefits.

They can also, by the way, hire their own employees, and we have nothing to do with that. But they also can take some of the employees that were working there in that health clinic and convert them to an IPA assignment. Of course, we would reduce their payment that they get for income in kind provided by the Federal employee, and it is the special use of this program and some special authorizations in 93-638 that allow us to use this program in a special way that accounts for the 131 assignments that we have now in that particular area.

We have also used the IPA's on the way out in many other areas to assist us in getting out the word and providing assistance to State and local governments.

Although we strongly support the Intergovernmental Personnel Act, we believe that it needs to be controlled and managed by the agencies in order to avoid undue costs to the Government. In March of 1981, soon after I became the assistant secretary, HHS had 409 IPA assignments in force. By the way, 274 of those were coming into the Department and 135 were going out.

Facing some budget restrictions, we saw the need to tighten our controls over the overall management of the program, and I must admit as I sit here and listen to your frustration over the inability to get information from OPM on how the program is operating, that is exactly the picture I found in trying to find out what was happening in the program right within the Department.

So one of the first things that the then-Secretary did was centralize the approval process and require all IPA assignments to come to the assistant secretary for approval. We also established some overall policies for the management of IPA assignments outside the Department, requiring that at least 51 percent of the costs of those assignments must be paid by the outside organization. This was done so that the employee would be removed from the personnel ceiling during the time of their assignment outside of the Department.

In January 1986, we further tightened up in this area, and our current policy is that the outside organization should generally pay 100 percent of the costs of an HHS employee going on an IPA assignment outside of the Department.

For each assignment there is an assessment of the benefit that is gained by the receiving organization and the benefit that will be received by the Department, and we attempt to come up with an accurate balance of this that distributes the costs in relation to the benefits to the organizations that are participating in the agreement.

In 1984, the authority to approve IPA assignments was delegated back to our major components, but they must operate consistent with this new policy. We receive a copy of every agreement, and my staff reviews each one for compliance. As a result of our policies and controls, today we have only 178, 42 coming in, as I mentioned, and 136 going out, and the costs to the Department have been greatly reduced.

At this point, I would also like to point out an anomaly in our Department that actually may help explain the dilemma of more people coming in than going out. We have many other authorities in our Department to send people out to assist State and local governments in addition to the IPA Act authority. We have a State Assignee Program in the communicable disease area. We also have great authority to be able to detail Commissioned officers to assist State and local governments in major public health areas, and I believe it is these other statutes which we use that may make the statistics skewed, at least in our Department.

In summary, what I am telling you is, on the way out, we have many ways to assist the State and local governments, and having an IPA assignment to those organizations is not always the most effective or efficient way. But on the way in, there are few ways, other than the IPA Act, that we can attract people from outside the Government to come to work for us.

In conclusion, I feel that the IPA Act program is one of the most valuable programs that Congress has enacted, and I believe that it will be even more vital as a staffing and a mobility tool as we move into the next century. Trends and forecasts about the year 2000 show a vastly changed composition of our work force and a great increase in jobs requiring greater education and skills, and if the Government is to compete successfully for the best available talent, we need to rethink, I think, our traditional approach to staffing.

I think the days where we hired someone as a GS-5 and expected them to stay around for 40 years and then retire are numbered. The work force of the twenty-first century will, I believe, be a far more mobile one, and I see a dramatic increase in movement be-

tween the public and the private sector and even within the public sector itself, particularly, by the way, between Government and academia. I believe that the IPA mechanism will prove increasingly valuable to HHS in staffing biomedical research positions by giving us a way to tap the talent pool available in the university research environment while allowing the career mobility that the work force of the future will demand. I fully support the continuation of the IPA program and will be glad to respond to any questions you have.

Mr. KANJORSKI. Thank you very much, Mr. McFee.

Let me draw my attention first to you, Mr. Dawsey, on the EPA. I am really surprised, actually, that, for instance, EPA doesn't have at least one assigned personnel to each of the 50 States just to have some liaison in every State Department of Environmental Resource. That has not been thought of as a good practice, to draw those agencies closer together for purposes of knowing what EPA regulations are and what they are based on compared to what the States are doing?

Mr. DAWSEY. We don't have an agency organizational structure that provides a State representative to each State from our regional offices. Some of our regions, however, have adopted that model. Notably, our Seattle region has established a State representative in each of the states that they service. Our Denver regional office, I believe, also has established State representatives in four of the six states included in that region.

Mr. KANJORSKI. Using this program?

Mr. DAWSEY. No, not using the IPA program as an organizational function.

I would hazard a guess that of the 126 that we have out, chances are, at least on average, we have at least one in every State, if not more than one assignee in every State, under the IPA program.

Mr. KANJORSKI. That is what I was going to ask you. You don't know what the break-out is?

Mr. DAWSEY. I don't have that data available. I can certainly provide it to the committee if you would like it.

Mr. KANJORSKI. I would appreciate that.

[The information follows:]

The following listing shows the states in which EPA currently has IPAs assigned, with the numbers in each state:

Alabama, 1; Alaska, 5; Arizona, 3; California, 19; Delaware, 2; Florida, 5; Georgia, 1; Hawaii, 5; Idaho, 2; Illinois, 1; Indiana, 4; Louisiana, 2; Maine, 1; Maryland, 6; Massachusetts, 10; Nebraska, 1; Nevada, 1; New Hampshire, 2; New Jersey, 6; New York, 3; North Carolina, 4; Ohio, 1; Oklahoma, 1; Oregon, 3; Pennsylvania, 2; Rhode Island, 1; Texas, 3; Tennessee, 1; Virginia, 6; Washington, 7; Washington, DC, 7; West Virginia, 1; Wisconsin, 1; and Trust Territories, 3.

Included in these are 13 IPAs assigned to Nationwide non-profit groups that are concerned with activities in every State. IPA assignments can be as long as 4 years and as short as 24 hours; consequently, these figures are in constant flux.

Mr. KANJORSKI. How large is EPA, if I may ask?

Mr. DAWSEY. We have approximately 15,000 employees.

Mr. KANJORSKI. So this represents one-tenth of 1 percent.

Mr. DAWSEY. Currently, we have 120 employees out. We average about 125 participants in a given year, and that average has remained fairly constant over the decade that we have participated.

Mr. KANJORSKI. What kind of disciplines do they generally come from?

Mr. DAWSEY. Engineering, chemistry, all technical occupations, with few exceptions, environmental protection specialists, of course, which have a variety of backgrounds as they come into that occupation.

Mr. KANJORSKI. I just had the experience of working with EPA on a particular environmental problem, and I want to bring it up as sort of a criticism so that everybody who is involved with the Federal Government can appreciate it. I was talking about a water pollution problem, and the other was a Superfund problem, and I thought the agency administers both, but as soon as the word "Superfund" came up there was a silence: "Oh, no, this is a whole different structure, and you have to talk to somebody else; I don't handle that because it is a Superfund problem." They seem to have, even within the agency, some very clear divisions, jurisdictional divisions, and they won't talk on the subject, even though they should be expert in that area. Do you find that to be the case?

Mr. DAWSEY. Well, the agency is organized around what we refer to as media. There is an assistant administrator for air programs, an assistant administrator for water programs; likewise, there is an assistant administrator for hazardous waste, Superfund, and RCRA programs, and the enforcement of those programs are administered through that assistant administrator.

Mr. KANJORSKI. How do we get to the problem of—environmental problems aren't always functionally able to be separated. I mean you don't generally only have a water problem, but you will have an air pollution problem, you will have maybe a chemical hazardous waste problem, all in the same area. Is there some function to bring these people together?

Mr. DAWSEY. Yes. In the area of human resources management, we have been working very hard to construct our development and selection programs to provide for premiums being placed on candidates for positions having broad cross-program media experience.

Our SES Candidate Development Program, as an example, looks for those people who have demonstrated that they have worked at varying levels in the organization and outside the organization at the State and local level as well as between programs that the agency administers.

Our Management Development Programs and our management seminars that we provide typically focus on cross-cutting issues that cross those media lines. So there has been over the past five years, and it will certainly be enhanced—it is being enhanced and will continue to be in the future—a recognition of the complexity of environmental problems and the need for managers as well as rank and file employees, of course, who can address them in a cross-media fashion. We don't know any quick fix to that problem.

Historically, up until the early eighties, development in the agency was pretty much vertical. An individual went to work as a trainee in the Air Program and maybe retired from the Air Program some years later, but over the past decade we have been working hard to erase that vertical nature of development and create environmental managers, if you will, as opposed to single media managers.

Mr. KANJORSKI. I am interested, not because of the experience I have had. You seem to get people that all want to direct themselves to their specific discipline, and they don't take into consideration the ramifications of what other Federal agencies may be doing in an area.

I have a perfect example of one singular river that moves through a district in Pennsylvania, and they are building a dam in one instance and dikes in another instance. There are several discharges of polluted water, both hazardous and normal waste water, and each one of these instances is treated in a different way, and they don't seem to coordinate. One may be given an order to expend \$30 million to accomplish this thing that runs in direct contradiction to the dike system which the Corps of Engineers may be constructing, and they sort of take the attitude, "That's not my problem."

I'm just wondering whether we aren't at the point in time when we should start thinking of the Environmental Protection Agency as responsible for the environment of an area, and taking into consideration all the ramifications, or at least to have an officer in charge of that so that he can pull these disciplines in and get them balanced, as opposed to their marching down one single line with one accomplishment, regardless of the cost, because the standard rule is, "Well, my regulations require that . . ."

Mr. DAWSEY. We currently have that model before us in the case of emergencies, as has already been mentioned today.

In the case of hazardous waste spills on land, EPA is the lead agency and would cooperate with the Department of Interior, the Army Corps of Engineers, and any other agencies. Probably FEMA would be brought in as well to manage that. At sea, the Coast Guard technically is in command of hazardous waste spills, with EPA subordinate to that organization. So these cooperative arrangements do exist. They don't exist across the board.

Mr. KANJORSKI. Is that accomplished by executive order or legislative?

Mr. DAWSEY. I'm not sure of the answer to that.

Mr. KANJORSKI. If you had to critique generally this program, the IPA, what would you say about it? Are you pleased with it? Do you think we are using it sufficiently, or are there things that could be done with it that would benefit the Federal Government and State and local governments?

Mr. DAWSEY. Within EPA, we are very pleased with the program. We think that it has satisfied our need to provide a vehicle for the true exchange of personnel.

We see value to EPA personnel going out and working at the State and local level with State and local government specialists in environmental protection as a means of delivering our mandated programs.

We think we have sufficient flexibility within that program to do those things that we feel need to be done. We would not ask for any additional authorities under it, certainly.

We occasionally run into funding impediments. We have created a central pool of work years and salary dollars so that when we have a—one of our small local organizations who has the need to send someone out but they need to backfill that position, we can

actually fund a replacement for them for some short period of time. Typically, we negotiate in terms of years or less than one year. That pool was just established a year ago under Lee Thomas, when he was still administrator. Mr. Reilly has continued its existence, and we expect it to continue for the future.

So we have found ways to work around our own bureaucracy, if you will, to facilitate assignments.

Mr. KANJORSKI. Are you doing the informing in the field? Is EPA informing various States and local governments of the existence of the program, or do you only respond to formal requests of those governments?

Mr. DAWSEY. No. By the very nature of our programs, our work force comes into daily contact with State and local officials at the local level, at the regional level, not so much at EPA headquarters, of course.

The States and their environmental departments are very, very well aware of the IPA program and are not shy at all about coming to us and asking for assistance in specific terms. Occasionally, they will even ask for a specific employee to be loaned to them because they have come in contact with that individual in their day-to-day business.

Mr. KANJORSKI. Do you have any idea statistically on the number of requests, how many are filled? Is it 50 percent? 75 percent? or in most instances when they are requested?

Mr. DAWSEY. No, I don't. From my position, I only see the requests that manifest themselves into agreements.

Mr. KANJORSKI. So you have no idea? It may only represent a very small portion.

Mr. DAWSEY. I don't really have an idea.

Mr. KANJORSKI. Is there a way that you could provide that for the record?

Mr. DAWSEY. I can ask our regional offices to provide that answer. I suspect some of it would be speculative, but it would give you a ball park.

Mr. KANJORSKI. Yes, if we could get an idea of whether there is really a request for much higher use of the program that isn't granted and what would you do about it, and if they could even critique for us in the response to that, is there any fall-off for requests because of generally the Office of Personnel Management not promoting the program? Would that help, promotion of the program, or should the promotion come within the agency itself?

Mr. DAWSEY. I will be happy to give you answers to both those points.

Mr. KANJORSKI. I appreciate it.

[The information follows:]

Nearly all of the actual IPA assignment requests that EPA receives are filled. The ratio of IPA requests to actual assignments is about one to one over the past year and in recent history; almost 10 percent, with a few exceptions in remote locations that are likely to be perceived as hardships. However, this high fill rate is misleading as a measure of client need. We believe that more requests would be submitted if the resources were available within the Agency. Most IPA requests are not formally submitted without an understanding between EPA and our State or local counterpart agency that the resources will be available.

To address the second part of your question, EPA regions are not experiencing a falloff in requests. Requests for this Agency's IPA assignments result from the rela-

tionships between our Regional Offices and the States, through common program-media concerns. None of our ten regions indicated that they would like to see more aggressive management of the program by OPM.

We do not believe the IPA Program needs more promotion. Our clients are aware of it because of the close working relationship between EPA Regional offices and their State and local counterparts.

Mr. KANJORSKI. Mr. McFee, you seem to have a very particular special knowledge of this program. Overall, do you feel that there are constraints on it that inhibit its use, or, as an agency, do you feel you are getting everything you can possibly out of it and you need no adjustments to be made?

Mr. McFEE. I think I can tell you that, outside of the specialized use—and we have taken care of any restrictions in there, and there is special legislation that allows us to do things a little differently in that area—but as far as the rest of the program, no, I am very happy with it. I believe that it needs to be managed; it cannot be just willy-nilly given out to people to operate.

There is only one aspect, I think, of an operational nature that might be helpful to us. As you know, in 1984, I believe, the act opened up nonprofits as well as State and local governments. These nonprofits have to be certified by OPM. I think that is a good piece of legislation, and I think that it is important that there is some oversight body that would certify that they conform to all of the criteria to be eligible to participate in the program.

But with short supply of staff at OPM, this certification process becomes lengthy and becomes very difficult. State and local governments don't have to go through that process, and they know the ropes in dealing with the Government, but many of these nonprofit organizations, some very, very worthy, have to deal with OPM long distance to try to find out what information they need, et cetera.

So if there was any way that OPM could have more of a technical assistance role to these nonprofit organizations, it would further the cause considerably.

I'd like to, on the record, just give you an example of one that we are involved in right now. There is an organization in the Washington area of airline pilots, and ex-pilots, and aircraft owners called the Emergency Medical Airlift Program, and through voluntary contributions of both time and aircraft they have put together a nationwide program to provide emergency airlift services to people that otherwise cannot afford it. You almost, in this environment, have to charter an aircraft because commercial facilities are not available with the right kind of equipment.

They have been in operation four or five years, and one of our employees, by the way, is present chairman of the board of the organization—he does this parttime as a public service—and they have gotten so big at this point in time that they are looking for a full time staffer.

Now that program is directly in the line of our mission. We are concerned with emergency medical care and how we can assist local units and organizations to provide it. We are working out an IPA agreement now where this gentleman will temporarily leave his Government job and work full-time on what he has been doing in the volunteer area.

We are going through a process with OPM right now to get that organization certified, and it is a very, very difficult process, time consuming, and, as I said, the organizations themselves are on their own, there isn't anyone to assist them, and so I would hope that OPM could maybe put some more emphasis on that certification process.

Mr. KANJORSKI. Very good.

Just for my benefit, can you tell me the formal name of that organization and their telephone number? We get use and need for that type of service weekly.

Mr. McFEE. I will make sure that you get that. It is called the Emergency Medical Airlift. It is a tremendous activity.

Mr. KANJORSKI. I appreciate that.

The most fearful thing in the world is to have someone ill and you can't move them to the proper area because it is so expensive.

Mr. McFEE. I'll do better than that. I will give your name to the gentleman I am talking about, and he will come, complete with a videotape, and tell you all of what they are up to.

Mr. KANJORSKI. I would appreciate that.

Now, to relate that to another question, however, if you are aware of the President's ethics bill, there may be some prohibition of serving on a nonprofit board by a high executive employee of the Federal Government, and I would think that, one, I would caution that you should look at that with your employee being transferred over; but, two, do you have any opinions on that—that may be a little too much of a cure for the disease involved?

Mr. McFEE. No. I am generally in support of the provisions of the President's ethics proposal.

We have a very, very serious ethics program within our Department, and every one of these IPA assignments is given the same scrutiny for ethics as we would give to an employee that we were hiring or an employee that we were sending out. I think when we get some experience with regulations and that type of thing and the act gets passed, that we will be able to live with it and it will be beneficial over the long haul.

Mr. KANJORSKI. Part of the President's recommendation is that high executive officials of the Federal Government be barred in some instances from serving on nonprofit corporate boards.

Mr. McFEE. I'm aware of that, but it isn't an absolute provision, and there is obviously some need to define what is an appropriate serving and what isn't an appropriate serving, and I haven't addressed that specific issue, but I assure you I will as soon as I get back to the office.

Mr. KANJORSKI. All right.

The other thing that I do want to ask you in your direct testimony that struck me—you said that it used to be the policy of HHS to require 51 percent of the costs to be paid by the outside but now you have changed that to 100 percent, and I can understand that, but my question is, wouldn't that perhaps assure that Scarsdale, NY, would get the service but Fourpack Town, U.S.A., may not get the service?

Mr. McFEE. Well, this is our overall policy. As I tried to tell you, I have delegated the authority to our operating divisions, and if they follow that policy they don't have to come to me. But if you do

run into a situation where you think that there should be some cost-sharing arrangement other than 0 and 100 percent, that comes to me and I take into consideration the specifics of the case, and Scarsdale will obviously get some consideration in that kind of situation based upon the ability to pay, the benefit that we get, and that type of thing.

The 51 percent is an administrative policy. If these people leave the Government and work in these organizations we have to replace them, and this allows us to use their FTE ceiling point for the replacement. Otherwise, we would be unable to replace them. So that is why we use the 51 percent. We have made exceptions to that.

Mr. KANJORSKI. But do you think it would be wise for us, for instance, to change that policy, to give you the opportunity not to require 51 percent?

Mr. McFEE. There is nothing that requires it now. That is strictly our own internal policy.

Mr. KANJORSKI. You would lose the ability to replace if you didn't have 51 percent?

Mr. McFEE. That's an OPM restriction as part of overall management of the Government. If Congress, in its infinite wisdom, decided to make any IPA assignment exempt, regardless of the funding arrangement, that would be a decision they would have to make.

Mr. KANJORSKI. What would your feeling be on it?

Mr. McFEE. I think the 51 percent is workable, and it provides some control, and there is a good balance so that you just don't give away the store. I support the 51 percent.

Mr. DAWSEY. It causes our people to be better businessmen in negotiating each individual assignment. If their going in position is that the recipient should pay, then it sets up a fair bargaining situation.

Mr. KANJORSKI. To a local community that is strapped and a salary the size paid to the Federal Government is considered unusually high compared to local salaries, wouldn't that be almost prohibitive for a small community, say, of under 50,000 to take advantage of this type of program?

Mr. DAWSEY. Just as with HHS, each of ours is individually negotiable, and we do have instances where EPA picks up the total cost. So we are totally flexible.

Mr. KANJORSKI. So when you do do that, then you lose the ability to replace.

Mr. DAWSEY. That's right.

Mr. KANJORSKI. I mean there's a great disincentive.

Mr. DAWSEY. And that is why we set up that IPA/FTE pool to help out our regional office. Where they have that situation, we can loan them a work year for the duration of the that assignment so they can backfill that position.

Mr. KANJORSKI. Would you have any numbers on how many people actually get assigned to small local governments as compared to larger local governments?

Mr. DAWSEY. We currently have 23 people on assignment to local governments. We don't make a further distinction between large or small, so it could be the City of Los Angeles or a township in a rural setting.

Mr. KANJORSKI. You would have no idea how many of those communities, say, have a population of under 30,000?

Mr. DAWSEY. No, and I'm not sure that I would be able to get that answer.

Mr. McFEE. Mr. Chairman, in our case, as an answer to that question, if we were going to assign someone to a State or locality, we would use our regular Public Health Service detail authority and probably assign at no cost to the State or as part of our income-in-kind grant that we would be giving to the State in support of their public health activities.

Mr. KANJORSKI. Most of your assignments, as I understand, Mr. McFee, are just to the Indian areas. Other than that, you use some other mechanism to put these within State governments and elsewhere.

Mr. McFEE. That's right.

Mr. KANJORSKI. Have you found that because of the internal programs that you have and the simplicity of those programs as compared to this program, that that is why you use those internal programs?

Mr. McFEE. Well, the situation with the Indian Health Service is a long history that is wrapped up in the whole concept of Indian self-determination. We do make IPA assignments to the tribal governments using the regular IPA assignment process. The special procedure is only allowable when they contract and take over a function, but we have two or three people that are detailed to Indian tribes in other areas of Indian tribal government, and we use the regular IPA program with all of the restrictions that it requires. In fact, we have somebody at the White Mountain Tribe—I don't happen to know quite where that is—and we also have a finance officer detailed to the Navajo Tribe, and we have a health science administrator on IPA to the Wisconsin Office of Mental Health. So these are the kinds of ways. Now those are regular IPA assignments.

Mr. KANJORSKI. So in conclusion of your testimony, would you have anything to add to this program? Do you think it is going just as it should and we should do nothing here in refining it or changing it in any way?

Mr. McFEE. I have no recommendations for changes to the actual act itself.

Mr. DAWSEY. Nor do we.

Mr. KANJORSKI. Very good. Well, thank you very much for giving your testimony today. Thank you.

As you can well see, we are almost at noon, and I am sure that you have statements, and I would assure you that the full statements will be made part of the record, and if I could just encourage you to synthesize your statements and summarize what is there so we could have more of a question and answer period, I would appreciate it.

Perhaps we could start with you, Ms. Felder.

[Witnesses were sworn.]

STATEMENT OF JOYCE FELDER, ASSOCIATE DIRECTOR FOR PERSONNEL OPERATIONS, OFFICE OF PERSONNEL AND LABOR RELATIONS, DEPARTMENT OF VETERANS' AFFAIRS; RICHARD GREENE, ASSISTANT CHIEF MEDICAL DIRECTOR FOR RESEARCH AND DEVELOPMENT, DEPARTMENT OF VETERANS' AFFAIRS; DOTTIE M. MELETZKE, DEPUTY ASSISTANT SECRETARY, CIVILIAN PERSONNEL, POLICY/EEO, DEPARTMENT OF THE NAVY; AND JEFF M. FENSTERMACHER, ASSISTANT DIRECTOR, DIRECTORATE FOR ADMINISTRATION, NATIONAL SCIENCE FOUNDATION

Ms. FELDER. Good morning.

I'm pleased to be here to talk to you about the VA's experience in using the IPA. We have participated in the program since its beginning, and we currently have over 420 persons who are on IPA assignments.

As has been discussed by some of the other agencies, the majority of our participants are now from institutions of higher learning assigned to the VA.

An important part of our mission is research, and most of these individuals are participating in our research programs. On an average, they have been detailed to us for about two years, and their salaries approximate \$23,000.

We have done this because we have found that individuals from institutions of higher learning have certain skills and knowledges which are needed in our research projects, and this has been an efficient way for us to acquire that talent.

We have, in the VA, benefited from persons serving under the assignments and believe that the Nation as a whole has benefited because these persons have participated in research projects that have served the disabled, they have been involved in research in arthritis, cancer, infectious disease, and related liver disease.

We believe that the program is a good one and that we have benefited from it, and we do not recommend any major changes at this time.

[The statement of Ms. Felder follows:]

STATEMENT OF
JOYCE FELDER
ASSOCIATE DIRECTOR FOR PERSONNEL OPERATIONS
OFFICE OF PERSONNEL AND LABOR RELATIONS
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
JUNE 20, 1989

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to speak about the benefits of mobility assignments under the Intergovernmental Personnel Act (IPA), as amended, in the Department of Veterans Affairs (VA). The Act authorizes VA and other Federal agencies to assign personnel to State and local governments, including institutions of higher education, and accept assignment of State and local personnel from such institutions to VA for periods of up to 48 consecutive months. Employees lose none of their Federal benefits as a result of the assignments, which are voluntary.

VA participation in the assignment of personnel under the Act began in 1971 when 12 VA employees accepted mobility assignments. Our involvement has increased over the years to the point that during Fiscal Year 1988, there were 420 mobility assignments in effect throughout VA.

Over the years an increasing number of individuals are being detailed to VA from State and local governments and institutions of higher education. The

overwhelming majority of individuals detailed to VA are from colleges and universities. Typically, these individuals possess scarce skills essential for the conduct of research programs. On an average, individuals detailed to VA on a full-time IPA assignment stay slightly less than two years and earn an annual salary of approximately \$23,000. However, some individuals have remained for the maximum 48 consecutive months.

VA often finds it difficult to recruit individuals with highly specialized skills and knowledges for projects. Many institutions of higher education have these kinds of employees with the expertise we seek. Under these conditions, IPA assignments offer a mechanism by which we can staff positions critical to our research efforts. This is a real benefit to the Department.

The IPA program ensures that highly skilled and knowledgeable individuals are available for short term involvement in projects, often relating to research in health care areas. VA and the general public have benefited greatly from the results of research accomplished with the assistance of individuals on these mobility assignments. Some of these research projects are centered in the field of rehabilitation research, such as design of bathroom fixtures and adaptive devices for disabled persons and the elderly. Other research projects have dealt with areas of medical research, which have application for the general public as well as the veteran population. These projects have included research in areas such as arthritis, cancer, infectious diseases, and alcohol related liver disease.

In summary we believe that the IPA program has been of benefit to VA and should continue without major change.

Mr. Chairman that concludes my statement, and we will be pleased to respond to any questions you may have.

Mr. KANJORSKI. Thank you very much, Ms. Felder.

I should introduce you for the record: Ms. Joyce Felder, Associate Director of Personnel Operations, Office of Personnel and Labor Relations with the Veterans' Affairs.

Our next panelist is Dr. Richard Greene, Assistant Chief Medical Director, Research and Development in the Department of Veterans' Affairs.

Doctor.

STATEMENT OF RICHARD GREENE

Dr. GREENE. Good afternoon. I am pleased to be here, and I'll just make a very brief statement about how useful the IPA has been to our biomedical research program.

We have a unique structure to our program. It's intramural, there are about 5,000 projects funded all over the country in about 80 VA medical centers. These medical centers are affiliated with medical schools, through formal affiliation arrangements, and the people in the VA medical centers who do the research are also faculty members at the affiliated medical schools. Of course, this is part of our whole effort to provide state-of-the-art medical care and do research at the same time.

The IPA fits into this arrangement because of the nature of research support. In our agency and most agencies, research support is time limited, usually three to four years, and to recruit high-level technical support people to work on a project, knowing that it is a time limited program, can be a very difficult recruitment problem. But if we can use IPA's, as is being done now, to 400 or so people, we can recruit people who are university employees. They don't lose their benefits, pension plans, et cetera, but they come to the VA for three or four years to work on a specific project under the direction of a VA scientist and then, after that period, will go back to the university.

You have asked several times about whether there is a conflict of interest: Will these people go back to the university and obtain grants? Our agency doesn't provide grants to universities, we only support research intramurally, so that is not an issue. I think other people here could comment from their standpoint. I don't think that is an issue in other research funding agencies—NIH, et cetera—since all grants are given after very careful peer review and an inside track doesn't really help you through that process.

In essence, the VA has about 5,000 total research employees, and 400 or so are in the IPA program. It is not a method to circumvent hiring ceilings in that we have a special exemption for noncareer employees in the research program in the VA which allows us to hire those people without a ceiling. But this is a very important program for us because it allows for rather special hires, particularly in cases where there is expertise that's almost impossible to recruit for a short time to Federal service, such as people with special engineering skills, and especially part-time people who are needed for two days a week on a project for two years. So it has been very flexible, very helpful to us, and we are very supportive of it.

Thank you.

Mr. KANJORSKI. Thank you very much, Doctor.

Ms. Dottie Meletzke, Deputy Assistant Secretary, Civilian Personnel, Policy and EEO, Department of the Navy.

STATEMENT OF DOTTIE M. MELETZKE

Ms. MELETZKE. Good afternoon.

The Department of the Navy has participated with IPA since the early 1970's. Many of our IPA assignees are members of colleges and universities serving in a collaborative research environment. Almost all of the people coming into the Navy do work in Navy laboratories which are located in the field throughout the United States. It is a collaborative environment, working on new technical areas, broadening our perspective, and, from our standpoint, providing input to the colleges and universities on the key critical issues of the Navy so that professors can incorporate that in their teaching.

One of the concerns that we have, I think it is a national concern, is that scientists and engineers, with the forecasts for the year 2000, are probably going to be in very short supply. We feel that it is important to collaborate between employers and the universities to make sure that we keep as many students in those programs as we possibly can. I think bringing reality into teaching is one of the key things.

A lot of our research relates to areas that are exportable. We have a number of studies that have been published in collaboration with Navy organizations and people from the universities. It is all defense related, but it is not all weapons related. We are doing some research that will have a lot of pay-back for divers in terms of gaseous transmission through membranes. We are doing a lot of work in pollution, both in harbor and in ship bilge situations. This is another area where the State, the local, and the Department of the Navy interests have a great deal in common.

We have—and I am personally familiar with two examples—provided personnel management specialists to State governments to work with them on developing and revamping their merit systems. In the mid-seventies, we provided one of the Navy personnel to the State of South Dakota to develop a public service careers program and also to work on the overhaul of their State merit system. The State legislature did pass the revision, and that system is now in effect.

Mr. KANJORSKI. The Navy did that?

Ms. MELETZKE. The Navy, yes.

Mr. KANJORSKI. Because the fleet was in, I assume.

Ms. MELETZKE. No. Because of the expertise of our personnel management people.

We also provided a personnel management specialist two years ago to the State of North Carolina to help them assess their State system. That person has now returned to the Navy and is a member of my staff. Navy is also getting the expertise brought back to get some sense of how other organizations conduct personnel management.

In our academic exchange and our exchange to the State government, we feel that both the Navy and the organizations that we have supported have benefitted.

[The testimony of Ms. Meletzke follows:]

STATEMENT OF DOROTHY M. MELETZKE, DEPUTY ASSISTANT SECRETARY OF THE NAVY,
CIVILIAN PERSONNEL POLICY/EQUAL EMPLOYMENT OPPORTUNITY

Mr. Chairman and Members of the committee, I appreciate the opportunity to appear today and offer the views of the Department of the Navy on the Intergovernmental Personnel Act. The Navy has been a supporter and user of this program since the early 1970's.

The Department of the Navy policy is to cooperate fully with States, local governments and institutions of higher education concerning their requests for temporary assignment of employees.

Most of our IPA assignees have been faculty members of colleges and universities who participate in research and development efforts, providing us with an infusion of fresh viewpoints and ideas. The Navy benefits in three ways: (1) to conceive and develop research programs in new technical areas, (2) to provide insight and ideas which broaden our perspective and expertise and (3) to export Navy functions, programs and needs back to the education institutions which fosters more research and promotes growth of young student scientists and engineers.

The Navy has benefited from the expertise of these participants in such areas as: transfer of data processing software; satellite global positioning; maintenance and calibration of moored instrumentation for the ocean; medical research in the design and fabrication of a system for recording elementary membrane potentials in tissue exposed to very high helium pressures which has application to our operational readiness in diving as well as the health and safety of divers worldwide. Another project involved shipboard pollution abatement in the area of bilge oily wastewater treatment, a concern to state and local governments.

IPA participants also contributed to the development of new professionals in the Navy because of their teaching skills and their ability to frame problems and challenges in ways that young engineers and scientists can readily understand. This has been an unexpected benefit. The quality of the assignees is high. At one lab 23 of 31 participants were holders of Ph.D.'s and almost all were senior faculty with many years of experience. The faculty from institutions of higher education are, generally speaking, research and theory oriented and provide assistance in basic research and exploratory development.

The assignments also strengthened our ties with colleges and universities. A number of joint publications have resulted from the assignments. Participating educational institutions benefited from increased awareness and understanding of the research needs of Navy programs. The university of Rhode Island developed new graduate courses as a result of an assignment. Navy professionals have, in turn, taken these courses for credit. Faculty participants incorporate elements of their assignment experience into their teaching and give students a sense of the practical problems they will face at work. The schools also benefit by gaining experience and understanding of Navy's critical needs in science and engineering.

The "hands on" experience gained by IPA faculty members is also used to motivate science and engineering students. We have found IPA participants discuss their work experiences in their classes to excite and entice student scientists and engineers to continue their studies. This is particularly critical when demographic projections between now and the year 2000 indicate severe labor market shortages in these occupational fields.

During fiscal year 1986 Navy participated in approximately 93 IPA agreements. Three of these involve Navy employees being detailed outside the Federal Government to universities or, in one case, to a State government. In fiscal year 1987 we had some 150 agreements in effect.

We have had successful experiences when our employees have been loaned to State governments. In the late seventies, we detailed a Navy personnel expert to the State of South Dakota to develop and overhaul their state merit system. Recently, we loaned one of our personnel experts to the State of North Carolina for 2 years. This employee worked on the governor's staff to review the State's personnel program and later became the personnel director for the North Carolina Department of Commerce. As a result, our employee rebuilt their personnel program and in return gained valuable experience about different methods of personnel administration.

Upon returning, this employee was assigned duty on my staff and is involved in formulation of Navy-wide civilian personnel policy.

One of our research physicists was detailed to Boston University to work with a prominent professor at the Francis Bitter National Magnet Laboratory. This laboratory is one of the premier facilities for producing high magnetic fields and is the best place for our employees to gain expertise in this experimental area.

We currently have another research physicist from our naval ocean research & development activity at the Stennis Space Center in Mississippi on detail to the University of Minnesota. This assignment will allow the employee to collaborate with experts in mathematical physics and computational physics.

Through the use of IPA assignments, the Department of the Navy has been able to establish valuable links with academic institutions and with several State governments which have proved beneficial to all.

I would be happy to answer any questions you may have.

Mr. KANJORSKI. Very good. Thank you very much.

Mr. MELETZKE. You are welcome.

Mr. KANJORSKI. Next is Mr. Fenstermacher, Assistant Director, Directorate of Administration, National Science Foundation.

STATEMENT OF JEFF M. FENSTERMACHER

Mr. FENSTERMACHER. Thank you.

Thank you for inviting the National Science Foundation to testify on our experience with the Intergovernmental Personnel Act and its Mobility Program. This unique program has been of enormous benefit to us in accomplishing the Foundation's mission. I come to praise it.

NSF, as you know, is a small—relatively small—agency in Washington terms, about 1,200 employees, of whom over 400 are scientists or engineers. More than 100 of these are on rotational assignments to NSF from their home institutions in academia, other Government agencies, and sometimes industrial firms.

Because we support the most advanced science and engineering research, it is important that our professional staff consist of accomplished researchers who are widely respected by the scientific community. They assist in setting research directions for the agency, discuss technical details of complex science and engineering research proposals, and have the expertise to decide which of the many high-quality proposals NSF receives get funded.

It is important that there be a constant flow of new ideas into the Foundation, which is why rotational staff are crucial to our mission. We bring rotational staff to NSF using a variety of mechanisms, including the use of our excepted appointing authority. This enables us to appoint individuals on leave from their home institutions as "rotators" who are visiting scientists, engineers, or educators. Our rotator program has existed since the early 1950's when NSF was established.

The IPA program is a very useful adjunct to our rotator program. The IPA Act is written as if it were designed for NSF, so perfect is its suitability to the Foundation's mission and to its emphasis on maintaining a mixture of permanent and temporary employees.

An IPA mobility assignment offers a flexible route that many prefer because it allows individuals to maintain their employment relationship with the home institution for retirement and other benefit purposes.

NSF currently has 58 IPA assignees on board who fill positions ranging from program officer to division director and assistant director, which is the Foundation's highest level position.

Because these individuals remain employees of the home institution, about half of our IPA's are paid by those institutions a salary of more than the Federal pay cap. This situation reflects the growing gap between salaries paid to top flight scientists and engineers outside Government and those in the Federal Government.

As our director Erich Bloch testified before this committee last month, it has become increasingly difficult to pay enough to attract the caliber of individual we believe is needed to fill senior scientific, engineering, and management positions at the National Science Foundation.

The IPA mechanism has become a bit of a relief valve, allowing us to bring to NSF on detail a few individuals whose salaries at their universities would preclude us from attracting them, even temporarily, to Government service.

The Federal Government and the National Science Foundation need quality individuals in science and engineering positions in order that the best decisions be made with the tax dollars under our stewardship.

The act encourages cost sharing based on the relative benefits of the exchange. The receiving institution may pay all, some, or none of the costs. NSF typically seeks cost sharing of 15 percent for incoming IPA's based on sharing of benefits from the assignment in which the bulk accrue to us.

Institutions are willing to cost share because they understand the broadened perspective their faculty gain by spending some time in a science agency. The IPA mechanism is the only vehicle we have that allows cost sharing and, thus, our only source for some positions in disciplines with high salary levels, such as computer science and engineering.

The IPA Mobility Program is a model of an enlightened and flexible Government program. Our only recommendation for change is to allow NSF the salary flexibility inherent in the IPA Act. As you heard earlier, we have a no loss/no gain philosophy for our rotational people—that is, they should neither lose nor gain in salary relative to their permanent jobs by coming to NSF. Our authority to achieve this philosophy was limited by our Appropriation Acts for fiscal '88 and '89.

In 1988, our authority to pay salaries from Government funds was limited to \$77,500, the SES pay cap at that time. In 1989, this limit was raised to \$95,000 and was extended to our grantees as well. While this is above the pay cap, even \$95,000 a year is no longer sufficient to cover the salaries of many of the Nation's top scientists and engineers. Salaries for full professors at major private research universities now average \$90,000 to \$100,000 per year in the natural sciences and engineering. Public universities are not far behind. Salaries in industry show similar high levels.

We are working with our Appropriation Committees to eliminate this counterproductive cap and hope you will support us in this endeavor.

In summary, academic institutions have been a primary constituency for NSF, and the IPA Act has been a natural and indispensable

ble vehicle for bringing fresh talent and ideas into our agency. The IPA mechanism has been a welcome recruitment tool for managers. It offers benefits to both NSF and the individual that can make it the preferred choice of both. In some cases, it is the only way we can get the people we need.

I would be happy to answer any questions you might have.

Mr. KANJORSKI. Thank you very much, Mr. Fenstermacher.

I didn't quite catch the number that you—58, is that correct?

Mr. FENSTERMACHER. Fifty-eight, yes, sir.

Mr. KANJORSKI. And a good portion of those are paid by their institutions from which they come, the college, or university, or private foundation?

Mr. FENSTERMACHER. Yes. Well, typically, they come to us on detail. We make a grant to the institution that would cover the amount of salary, and possibly some travel, to the institution, and then they stay on the rolls of the institution.

Mr. KANJORSKI. So this is a way to circumvent the salary cap. For instance, if their salary were \$125,000, you could award the institution a grant sufficient for them to continue to pay their salary above what you would be able to pay if they were in the SES.

Mr. FENSTERMACHER. Well, with the limitation on our appropriation now, for example, if we had an individual whose academic salary was \$110,000, we would be able only to pay up to the \$95,000, and then the university would come up with the other \$15,000 as cost sharing.

Mr. KANJORSKI. But if you want to avoid that, you can give the university an outright grant which would be sufficient to cover the \$110,000 salary. Is that right?

Mr. FENSTERMACHER. I'm not sure that I follow what you are saying.

Mr. KANJORSKI. Have you used the option of directly granting money to an institution that is sending the employee and adjust that grant taking into account that employee's salary, the amount that is greater than the cap you are allowed to pay?

Mr. FENSTERMACHER. We only pay what we are allowed to pay in terms of the grant money. We don't give the grant for more than the \$95,000. Then the university would make up the additional \$15,000.

Mr. KANJORSKI. Ms. Meletzke, I guess the one question I have for you that we are trying to find out is, apparently most recently you had an agreement with Mitre Corporation in which they apparently picked up the major expense, or all the expense, of the employee's assignment, but, in fact, the beneficiary was really the Department of the Navy. Is that correct?

Ms. MELETZKE. Yes, sir, that is correct. It was the Chief of Naval Operation's organization, and Mitre Corporation falls within the purview of the other organizations which are not profit, devoted to Government research. That was part of the negotiation back and forth.

Sometimes when we bring people in, we reimburse the institution; in other cases, the institution providing the service provides the pay for the employee.

Mr. KANJORSKI. Is there any possibility, however, in doing that with an organization such as the Mitre Corporation that subse-

quently they may get a heads-up opportunity in dealing with the Department of Defense in other studies or other programs?

Ms. MELETZKE. I would not think so, and Mitre Corporation predominantly focuses on the Department of the Air Force. The Navy is not a major user of the Mitre Corporation's services.

Mr. KANJORSKI. You seem to be a very high user, of IPA. Is there a reason for that? Did you find this is a better vehicle than the other services or other Federal agencies?

Ms. MELETZKE. The Department of the Navy does more of its R&D research in house, so you will find that the Department of the Navy has a larger laboratory community manned with civilians than the other two services have. I think it is the different nature of the way we perform our R&D, and therefore our laboratories have the association with the universities.

Mr. KANJORSKI. So, overwhelmingly then, these are, again, people brought from the academic world.

Ms. MELETZKE. The majority are people coming from academia to the Navy.

Mr. KANJORSKI. Has there been any decrease in the number of people that in the past the Navy sent out under these programs prior to 1981, or has it remained the same?

Ms. MELETZKE. It has been relatively light all the way through. Most of the States and local governments are not in the defense business, so that is why most of our focus is collaboration between the Navy research and the universities.

Mr. KANJORSKI. So you are basically an organization that has been drawing in.

Ms. MELETZKE. That is correct.

Mr. KANJORSKI. How about the National Science folks?

Mr. FENSTERMACHER. The same with the National Science Foundation. Since 1971, the predominant direction is an inflow. We have at the present time four individuals that are on outgoing assignments, the American Chemical Society and three, I think, to universities.

Mr. KANJORSKI. Okay.

Dr. Greene, on the Veterans' Affairs, is that the same basically?

Dr. GREENE. The same. We are basically selfish users of the program.

Mr. KANJORSKI. So if I can get my mind straight here, then basically this has been a very successful program for Federal agencies that need expertise on the outside to utilize getting that expertise in. But the major users of this facility aren't the people that are dispensing expertise to outside agencies.

Ms. MELETZKE. The universities are in that business, and 50 percent of our universities are public institutions, so I think, as Mr. Klein said, there is an exchange between the Government and the universities and ultimately to the public that those universities serve.

Mr. KANJORSKI. Do you feel or find that there is any possibility of a conflict of interest, that these people being brought in may get or know of a way of getting grants or have a stronger propensity to be able to get grants as a result of coming into your agencies for that year, two, or three-year study period of time that they spend

there? Do they walk out and then become recipients of grants, or do you have no experience one way or the other?

Mr. FENSTERMACHER. As Dr. Greene, I think, mentioned just a little bit ago, the example that he gave would apply to the National Science Foundation. We don't take any chance for conflict. There is a very serious peer review process. When the individuals do come in, we have them fill out financial disclosure—

Mr. KANJORSKI. Would you say there is full disclosure?

Mr. FENSTERMACHER. All the nine yards. They don't deal with any proposals from their universities, they have to read a huge conflict manual, and then, post-employment, they are not able to submit a proposal to the Foundation for a year after they leave.

Since the discipline areas that we support sometimes are fairly small, the individual that we would hire for a year or two already has a National Science Foundation grant in physics or what-have-you, so what we require in that case for the individual is to appoint a substitute principal investigator, as we call it, for the time he is at the National Science Foundation, and then when he goes back he is allowed to pick up his research where he left off but is not allowed to submit any new requests for money for a year. And then his new request for money would have to go through the entire peer review or panel system, depending on which discipline it would be, and I really don't believe there's a problem.

Mr. KANJORSKI. Let me ask you a question on this point, because one of our hearings of this committee several weeks ago involved the President's ethics, you are all experienced with people coming into Government and leaving Government. Do you find any explosion in the lack of ethical people coming into Government or any conflicts now inordinately greater than, say, in the last 10 or 15 years?

What I am saying is, do you feel we have to legislate? Some members, in reading the press, would think that there is a total destruction of the ethics system of the American Government.

Mr. FENSTERMACHER. I don't think that is true. I think, from my experience over the last 10 years, the amount of emphasis that our agency, and I am sure other agencies, put on weeding out any potential conflicts is ten times more than it was ten years ago. In terms of the financial disclosures, in terms of the briefings that they get by the general counsel in terms of the whole nine yards of things.

Mr. KANJORSKI. Do you think it is becoming inhibiting now for people coming in? Are we at the point where it is being counterproductive?

Mr. FENSTERMACHER. We haven't had any experiences that I am aware of with an employee being asked to fill out the financial disclosure form saying, "Hey, I'm not going to do that." "Forget about it." But it's getting close, I would say, especially from academics coming in from a university environment, to come in and sign this about a drug-free work place, it's a lot.

Is the cure worse than the disease? I don't know. I think we're getting close, though, unfortunately. I am really just speaking for the National Science Foundation.

Mr. KANJORSKI. Do you have any opinion at all?

Ms. MELETZKE. I think there is a great deal of concern out there, and I think, while we don't have many examples of people who have not come, I think there are many people whom we don't know about that simply are discounting affiliating with the Federal Government because of some real knowledge, and then there's a lot of misinformation about the intent of the bill. I think it's beginning to hurt us as a public employer.

Mr. KANJORSKI. Does that apply also to the Veterans' Affairs?

Dr. GREENE. We have a special circumstance, because most of our people who do research are also faculty members at medical schools, but they are VA employees primarily. Even for part-time Federal employees, they have to accept the rules and regulations that govern Federal employment, and that makes them different from their other co-faculty members at universities, and we have had a whole series of conferences to discuss some of the issues of conflict of interest, primarily around being funded by the private sector for research.

This is an issue, as you are aware of, that is addressed in the Technology Transfer Act, the old Stevenson-Wilder Act, which encourages public science and private industry collaboration, and those of us involved in trying to implement that partnership are dealing with these issues. There are some sticky issues. Should a Federal scientist be allowed to have an equity position, for example, in a corporation that funds them? There are lots of issues here. It keeps science administrators busy thinking about these issues, and I think people are taking them very seriously.

Mr. KANJORSKI. Do you see any need to change the act in any significant way from how it is presently administered?

Mr. FENSTERMACHER. This will have to be a personal aside, and the subject is possible extension of the IPA Act or similar legislation to industrial participants, and I understand the administration opposes the extension to industry. Conflict-of-interest rules forbid industrial firms paying for the salary of someone working for the Government.

While I understand the concerns, it is my personal hope that a way could be found to extend the detailee provisions of the act to industry participants in a very limited number of cases for agencies like NSF who deal with universities primarily and support basic research where the pay-off is far in the future.

I feel there is a dynamic pool of industrial scientists and engineers out there that, if given an opportunity for a leave of absence for a year or two, could make outstanding contributions to the missions of NSF, the Naval Research Lab, NIH, and some other agencies of similar situation.

Mr. KANJORSKI. And how would they make that contribution specifically?

Mr. FENSTERMACHER. By coming in just like someone from the universities. We are able to hire on a temporary basis an individual from industry to come to work for a year or two, but it is very difficult because of the salary problems, mid-career interruption of retirement benefits, and whatever, to convince these people from industry to come in.

It's my feeling, if we were able to jump over the conflict-of-interest hurdles, and some conflicting legislation, to have an IPA-like

extension so that we could bring someone from General Electric or whatever, to the Foundation for a year or two or from AT&T, Bell Labs, to work in a research area in engineering to look at basic research proposals, that that could be very useful to us. It is, again, another source of very rare scientific and engineering expertise that we are looking for.

Mr. KANJORSKI. We should look into that.

Would you be kind enough, Mr. Fenstermacher, to give us a written statement as to what your thoughts would be on that?

Mr. FENSTERMACHER. Yes, sir. I emphasize, it would have to be my personal views, but I would be happy to do that.

Mr. KANJORSKI. If there were any changes to the act, we could enlarge it and insert it.

Mr. FENSTERMACHER. If there is a way around the concerns, with the ethics climate on the Hill and the conflict of interest not only on the Hill but in the administration—it might be tough to do, but we will give it a shot and send you something.

Mr. KANJORSKI. In the research activities—the time limitations—is that any constraint, particularly at the Naval Laboratories?

Ms. MELETZKE. No, that is not, and I think you will see from the GAO study most of ours were a shorter period than two years. That has not been a problem.

Mr. KANJORSKI. Okay.

Is there any way, while I have a member of the scientific community here, to use the IPA program to maximize the process of commercializing the results of federally funded research and development?

It seems to me that we are very successful in doing just basic research and development in this country, but lose out because of a tremendous lag in applying basic research. I have seen this when I served in other committees, particularly in Science, Space, and Technology. The leaders of these labs are coming in and telling us that 80 or 90 percent of the purchasers of these patents and this research are the Japanese and that basically we are funding a major part of their research. That is why the thought of bringing in the industrial sector may be very helpful here. Is this what we are lacking?

Why can't we, after we have put all this money out in research, have a plan to implement it with our industrial people? It seems we are lacking a step there.

Dr. GREENE. I believe that is the purpose of the Technology Transfer Act of 1986; to create commercial partnerships with Federal science so that the results of the science can be quickly commercialized. But this is a first step, and it is certainly a major problem.

Mr. KANJORSKI. Why, as part of the grant process, can't we require applicants to submit proposals for the commercial uses from this research. If they are successful in such a study, they should give us a plan for implementing this technology—outline what phase it would go through to properly get to the industrial portion of the economy. Is there anybody putting any thought in that process at all?

Mr. FENSTERMACHER. At the National Science Foundation—and I am not one of the administrators on the science side, but starting

probably about 4 years ago, the Foundation began what we call engineering research centers, which was a partial response to this whole technology transfer program. An engineering research center—and we have 18 or so of them in operation now—is a collaborative university and industry research effort. The university submits a proposal that goes through a rigorous peer review and is funded, so that the university-based researchers and the industrial researchers are there together in hopes that—and, again, I am still talking about primarily basic research here, but it is an effort to address the problem of getting the university-based researchers involved with their industrial counterparts instead of working at it separately.

Mr. KANJORSKI. Who puts these institutions together, Mr. Fenstermacher?

Mr. FENSTERMACHER. We run a solicitation each year, and we let the universities and industry make up their own proposals.

Mr. KANJORSKI. Where are they located now?

Mr. FENSTERMACHER. Oh, pretty much all over the country. I don't have that with me. I would be happy to—

Mr. KANJORSKI. Are there any in Pennsylvania?

Mr. FENSTERMACHER. Carnegie Mellon University and Lehigh University became ERCs in 1986.

There is also an industry/university cooperative program that the Foundation has been running for 10 or 15 years that gets the players together on a smaller scale with a slightly shorter term focus. Those programs have, we think, been successful. I know the Director of the Foundation, Erich Bloch, is very concerned with this whole area of technology transfer, and has testified before the authorization committees. It is a hot topic now, and there are no magic answers. I will provide that information for you.

Mr. KANJORSKI. I appreciate it.

[The information follows:]

ENGINEERING RESEARCH CENTERS

Design and Manufacturing.—Robotic systems in microelectronics, University of California at Santa Barbara; Systems research, University of Maryland/Harvard University; Intelligent manufacturing systems, Purdue University; Engineering design, Carnegie Mellon University; Net shape manufacturing, Ohio State University.

Materials Processing for Manufacturing.—Composites manufacturing, University of Delaware/Rutgers University; Advanced electronic materials processing, North Carolina State University; Plasma-aided manufacturing, University of Wisconsin/University of Minnesota; Interfacial engineering, University of Minnesota.

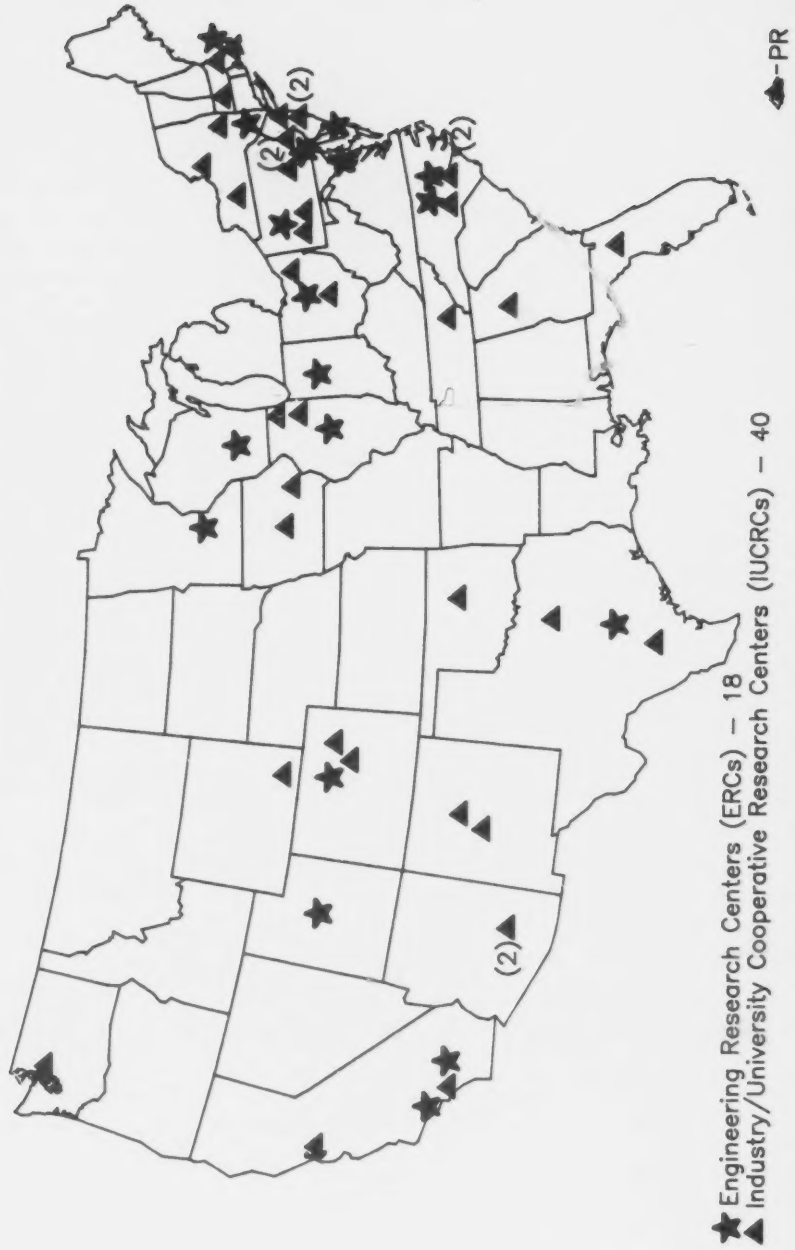
Opto/Microelectronics.—Telecommunications, Columbia University; Compound semiconductor Microelectronics, University of Illinois at Urbana; Optical computing systems, University of Colorado/Colorado State University.

Biotechnology/Bioengineering.—Bioprocess engineering, Massachusetts Institute of Technology; Emerging cardiovascular technology, Duke University.

Energy and Resource Recovery.—Combustion technology, Brigham Young University/University of Utah; Off-shore technology, Texas A&M University/University of Texas at Austin.

Infrastructure.—Large structural systems, Lehigh University; Hazardous substance control, University of California at Los Angeles.

National Science Foundation ERCs and IUCRCs



Mr. KANJORSKI. So, basically, if we were to summarize the testimony of this full panel, it is that you are very satisfied with the way the program is working and that you would prefer Congress not to take any restrictive action at all but, if anything, to enlarge it and perhaps make sure that the ethics question doesn't get any greater to inhibit it.

Thank you very much. I appreciate your coming in.

Our next panel consists of John Kincaid, executive director, Advisory Commission on Intergovernmental Relations; Jeffrey Schiff, executive director, National Association of Towns and Townships; and Bradford Southworth, president, National Association of State Personnel Executives.

[Witnesses sworn.]

Mr. KANJORSKI. We will take you first, Mr. Southworth.

STATEMENT OF BRADFORD SOUTHWORTH, PRESIDENT, NATIONAL ASSOCIATION OF STATE PERSONNEL EXECUTIVES; JEFFREY H. SCHIFF, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS; AND JOHN KINCAID, EXECUTIVE DIRECTOR, ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Mr. SOUTHWORTH. Thank you very much, Mr. Chairman.

Before I begin, I want to compliment you and your staff. I have been dealing with Derek and the young lady, I don't know her name, but they have been very helpful and very polite to one who hasn't done this before in taking me through the logistics of how one of these sessions is operated.

On behalf of the National Association of State Personnel Executives, we welcome the opportunity to share with you some of our thoughts and concerns about this program, and I can share some personally as personnel administrator from the State of Rhode Island.

We basically support the concept of the program as we have presented in our statement. Many, many of the issues that were discussed by the General Accounting Office and others about academia and so on are presented in my testimony. When we knew we were coming here to speak, we did some research in talking with the other personnel executives around the country, and much of what is in my presentation we received from them.

Some of these people in another life had worked in the Federal Government, so they were able to speak from their experience, particularly about the academic side and those folks coming—leaving and working in the Federal Government, and so on, and our concerns about conflict of interest, and so on are stated in our testimony.

I would like to talk for a minute about the positive side, however, and perhaps make some recommendations to you and your committee. The success stories I have pointed to in my testimony really were from the State of Rhode Island. We had two of those. As a matter of fact, one gentleman was from the Justice Department and since has retired and become a permanent employee in our Attorney General's Office in Rhode Island, and I was personally involved in bringing that about, really, handling the IPA process at

the State level, and I found it worked extremely well in working with the Justice Department folks and making that all happen.

A couple of the areas and issues that I think we need to address are as follows. I think, first of all, when you are working in the human resource area, my own position in State government and my counterparts, because of the broad nature of the programs that we deal with, it is very hard for us to come in daily contact with anyone in the Federal Government who might have special expertise that might help us in the human resource area, and that is where I am addressing myself right now.

Most of us have the responsibility of dealing with all of the mandates that are handed down by Congress, whether it be the drug-free work place, changes in the Fair Labor Standards Act, section 89, the COBRA Program, the I9 process, which are all handed down by Congress, and we find it very difficult to call anyone in the Federal Government and ask them, "What is this program all about? You know, you are right on the firing line, so to speak. Can you help us as a State government to implement these programs? How is that done?" Perhaps it is done through the IPA process. I think, more importantly, it is not publicized enough.

In the New England Region, for example, I think we have a one-person office now, and I understand how those things have happened in the past, and I think if there is a strong recommendation I could make, it is that the availability of this program to all of us as States really needs to be well publicized.

We talked a little bit about reinstituting the grant program. Someone mentioned that earlier. I can say from first-hand experience how successful that was in our State and many States in starting management information systems for our personnel in our respective States and doing a host of other things.

While I am not hopeful that Congress or even the President might restore any of that money, one of the things that might be considered for certainly the States that have more fiscal problems is to perhaps provide some kind of a grant program to help offset the State's share of having someone from the Federal Government come in and work in their agencies at the State level where the Federal Government is paying a portion and, by demonstration of need, that is kind of double dipping in a way but it might help the poorer communities, I think, as you suggested, Congressman, to find that expertise, and we have a lot of States, believe me, that are in the same situation. So I think that would be very helpful to look at.

I talked about the contact with the Federal agencies, and I think in summary, perhaps, it is really, how do we get information? I went through this recently with the drug-free work place which all of us as States had to implement, and, in fact, all employers had to implement. Extremely difficult to get information.

I would hope that OPA, which I consider in a sense a sister agency with all of us that are working in human resources, might become such a resource to put us in touch with the right people and also tie that in with the IPA program for State agencies that are dealing in human resource problems and issues, which I think would help the State agencies a great deal.

[The statement of Mr. Southworth follows:]

NASPE

National Association of State Personnel Executives

Committee on Post Office and Civil Service
 Subcommittee on Human Resources
 Intergovernmental Personnel Act Mobility Program Hearing
 June 20, 1989

Opening Statement

Bradford E. Southworth

President, National Association of State Personnel Executives
 Personnel Administrator, State of Rhode Island

The Intergovernmental Personnel Act Mobility Program is a unique way to encourage intergovernmental cooperation. Benefits of the program are many and varied. From environmental cleanup projects, to agricultural development, from taxation problems to labor concerns, the Mobility Program is an effective means for sharing resources, ideas, knowledge, and personnel to solve complicated, intergovernmental problems.

The National Association of State Personnel Executives (NASPE) believes that the IPA Mobility Program has the potential to be of great value to the states, but that some adjustments in the current system are needed for the program to be as effective as possible. The goal of the program - to foster cooperation between state, federal and academic agencies when problems arise within similar subject areas - is a worthy endeavor. In theory, the program offers a unique opportunity for state and federal officials to tap each other's knowledge and resources in problem areas that affect both; unfortunately, in practice the system is often abused.

Abuse of the program by individuals or government agencies concerns NASPE members. Arrangements for participating in the Mobility Program too often have been made for personal reasons, not because there was a particular agency problem that needed to be solved. For example, some have used the program to pad their resumes, rather than to advance the goals of a project.

In other cases, individuals who were already involved in client relationships are asked to participate in mobility programs. This has advantages and disadvantages. It can work well because the participants have already established good working relationships and are familiar with the project. On the other hand, if an investigation into the possibility of employing a different individual is not made, the best person for the project may not be assigned. Also, employing a person who is already known to project participants has the potential to become a conflict of interest.

Another concern about the the program occurs when federal agencies

send the states their "dead wood." In other words, there have been occasions when a federal agency has sent an employee to a state agency (or vice versa) just because they have not been productive at the federal level. In turn, these same people are not productive at the state level. The program needs to be monitored to prevent this type of activity because it merely defeats the purpose of the program.

Delicate political relationships between state, local and federal officials need to be taken into more consideration. Problems arise when tension exists between levels of authority. For example, often local government officials do not like to work with state officials; they are viewed as "bad guys" because of the authority they have over the allocation of money, resources and personnel for many local projects. These relationships should be taken into account before personnel are assigned.

The Mobility Program's biggest need is for a strong, effective marketing campaign. The staff in charge of the program in Washington must make the program a priority. Aggressive marketing is needed to increase awareness of the program. In turn, more agencies will take advantage of it, rather than having a limited, word-of-mouth program.

The Mobility Program does have some success stories. A U.S. Department of Justice official with extensive, sensitive and highly visible litigation and management experience was assigned to work with a newly elected state Attorney General. In this same state, the regional director of the former Law Enforcement Assistance Administration (LEAA) was assigned to the Governor's office to assist with criminal justice planning, policy formulation, corrections, the courts and law enforcement. These project assignments are prime of examples of how well the system can work and how valuable these information exchanges are.

The IPA Mobility Program has the potential to become an even more effective means for intergovernmental cooperation. For example, a Mobility Program participant from the IRS could work with the states to help them effectively comply with new federally mandated programs, such as Section 89. Another potential use for the program could be to have a Department of Labor official work directly with NASPE to help solve our current problems with the Fair Labor Standards Act.

While recognizing the current limitations and problems of the IPA Mobility program, NASPE would like to see the program continue. We endorse changes in the system to improve its effectiveness, but we oppose abolishing the program.

Mr. KANJORSKI. Thank you very much.

I just have the comment that it is a lot easier to pass a bill that says we will have a drug-free work place than to implement it.

Mr. Schiff.

TESTIMONY OF JEFFREY H. SCHIFF

Mr. SCHIFF. Good afternoon, Mr. Chairman. Thank you for inviting us to participate in your hearings and for providing us also the way to comment on new tools to help officials in small town America.

Over the past few years, as you know, there has been an enormous increase in regulations falling on local government, and this problem is exacerbated by the fact that funding does not always accompany these new mandates.

By way of background, our association represents 13,000 mostly small, mostly rural communities across the United States, and we view part of our job as their representative in Washington to remind Federal policy-makers both in the agencies and in Congress that the majority of those local governments are very small. In fact, of the 39,000 local governments in America today, 86 percent of them have populations lower than 10,000 people, three-quarters are smaller than 3,000 people, and fully half of all the local governments that exist have under 1,000 folks living there.

These small governments which we represent are administered, therefore, mainly by volunteers. They are not professional administrators; they do not have large staffs. For the most part, these communities do not have full-time accountants or engineers, and many do not have computers. Yet they are charged with providing essential services to their citizens, with both administering and complying with Federal programs and with accepting the liability for properly performing these tasks.

Given that such local officials do not have the luxury of hiring outside experts or specialists when faced with complicated Federal mandates, they depend on organizations such as ours for guidance.

We are also the educators and facilitators of Congress and the administrative agencies from our perspective. We carry the messages and concerns of local government into the policy-making debate. We try to work with Federal agencies as they write regulations in an attempt to make the resulting rules something which local governments can implement. This is where the Intergovernmental Personnel Act comes into play.

Perhaps at this time it would be important for me to summarize our particular experience with IPA, to highlight what we see as its distinct advantages and some of the concerns which we have found.

We are actually at the very beginning stages of an IPA contract with the Environmental Protection Agency. Our IPA person is not actually on our staff at this time. Our participation in this program actually came at EPA's instigation and not our own; it was a suggestion of EPA.

Late last year, NATaT presented to the Environmental Protection Agency its Small Government Partnership Program, which is a 10-point program establishing a system whereby small government concerns are addressed in the rule-making process within

EPA. The administrator at that time adopted our proposal in its entirety, and that commitment has been restated by the current administrator, Mr. Reilly.

As a result, EPA offered an IPA professional to work with NATaT's Federal Affairs Department on the many environmental issues which weigh so heavily on small communities. We were very grateful for this offer. In fact, less than two years ago, NATaT began making special efforts to reach out to EPA in an effort to educate the agency about small governments and to help them understand that the majority of local governments are, in fact, small and what that means. It was a lot to bite off, but EPA probably has more regulations and more severe implications for small communities, both fiscally and otherwise, than any other Federal agency at this time.

Our goal was to see that a special office be opened within EPA to deal specifically with small community affairs and to advocate within the agency on behalf of small communities and also to make sure that the agency was in full compliance with the Regulatory Flexibility Act of 1980, a top legislative priority of our association which we believe would facilitate the development of more realistic regulations for the vast majority of local governments in the country.

We are meeting those goals. An Office of Small Community Affairs is presently being established within EPA, and there has also been a major commitment to Reg Flex compliance issued by the administrator.

We were able to accomplish this agenda without outside help because we looked for the fewest places where we could make the largest impact. Obviously, we could not, with our limited staff, take on separate regulatory proposals such as those addressing landfills, and clean drinking water, and ground water, and nonpoint source pollution, and underground storage tanks, and the disposition of hazardous materials, and a myriad of others, all of which were percolating, by and large, at the same time.

As I have mentioned, however, these very proposals have an enormous impact on our constituency. We, therefore, cannot ignore them, and the best time to make our concerns known is at the beginning of the regulatory process, to talk with those people who will be writing the regulations, to work with them to find innovative ways for small communities to meet the intent of the law.

The addition of an EPA professional to our staff will increase our opportunities to interface with EPA, and it will be extremely helpful, as this person begins to understand the unique character of small local government, to have him carry back that message to his colleagues within EPA.

The other side of the coin is the outreach advantages which the IPA person will present and the tools which he will bring to bear in helping our local officials understand the regulatory process and how to affect it.

Basically, the addition of an IPA to NATaT brings us the tools to which we would otherwise not have access; it increases our potential; it allows us outreach possibilities both in the direction of local officials and in the direction of Washington policy-makers.

From our perspective, the IPA program is working because it helps us to deal with the evolution currently taking place in Washington which is shifting more and more responsibility to local government.

We have said many times that it is not enough for Congress to legislate or agencies to regulate and assume that the problem has been dealt with. Problems are not solved unless local governments, which, in the final analysis, are the true implementors of Federal policy, can actually perform what is asked of them. There is a vast gulf between Federal perception of local government and the reality of local government.

One of the best ways to bring the Federal perception into line with reality is to put Federal employees in touch with local officials on an ongoing basis. The more experience Federal policy-makers have with local government, the more realistic the rules will become, and that is what we should all be striving for.

There are a few problems that we can see, Mr. Chairman, and, as you might imagine, they involve money. Although the problem was solved in our case—that is that we are paying none of the personnel-related costs for this IPA appointment—that took a lot of doing and a lot of heavy negotiation on our behalf within EPA; they did it themselves.

There are many groups such as ours which are extremely reputable, have enormous potential, but are limited in their ability to pay a portion of an IPA appointment. I would suggest that some criteria be established whereby organizations such as ours could more uniformly qualify for an exemption across agency lines of the cost-sharing requirements.

You might also consider, as we have heard already this morning, a requirement for agencies to generate a pool of money from their current services budget, such as the pool established within EPA, which could be targeted for local government organizations meeting the IPA eligibility criteria and allowing the backfill of those positions.

Again, Mr. Chairman, in summary, we thank you for the opportunity to testify. We feel strongly that the IPA program can be a major step toward accomplishing national goals through realistic rule-making. We only wish that the IPA program applied to Congress as well, since cross-fertilization between local government officials and congressional staff could not do anything but help create more realistic national policies, thus achieving the end product we all desire—comprehensive implementation of our laws which are intended to benefit not only the citizens of large metropolitan areas but folks in small town America as well.

I would be happy to answer any questions.

[The statement of Mr. Schiff follows:]

Testimony of the
NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS

on
the Intergovernmental Personnel Act
before the
House Subcommittee on Human Resources
of the
House Committee on Post Office and Civil Service

June 20, 1989

Mr. Chairman, my name is Jeffrey Schiff, and I am Executive Director of the National Association of Towns and Townships (NATaT). Thank you for inviting us here today, and for your interest in the Intergovernmental Personnel Act which is providing NATaT with new tools for helping local officials across America.

Local officials certainly need help; over the past few years there has been an enormous increase in regulations for local government as the federal government shifts more responsibility in our direction. This problem is exacerbated, as you know, by the fact that funding does not accompany most new rules. As a result, we are left struggling to comply with increasingly complex requirements while -- in the case of small governments, particularly -- our resources dwindle.

Our association represents more than 13,000 mostly small, mostly rural governments across the United States. Part of our job here in Washington is to remind federal policymakers that the majority of governments in this country are small -- nearly 80 percent of America's 39,000 localities serve fewer than 5,000 people, and fully half serve populations of under 1,000.

Thus, while only about 3,000 local governments in the United States are larger than 10,000 in population, there are over 34,000 which are smaller. These small governments bear a major burden for making Congressional policy work -- a very difficult task, especially when they must attempt to comply with federal rules and regulations which are actually written with much larger jurisdictions in mind.

This brings us to another major role that NATaT plays -- helping local officials of towns, townships and other small governments across America figure out how to respond to complicated and costly federal mandates.

It's quite a challenge. The small governments we represent are administered in the main by volunteers -- dedicated people who, in addition to performing their own full-time jobs, donate their time in public service on behalf of their friends and neighbors in the community. They are not professional administrators. They do not have large staffs -- in fact more than one in three local governments in America qualify as "ZEGs," or Zero Employee Governments. For the most part these communities do not have full-time accountants or lawyers or engineers. Many do not have computers. Yet they are charged with providing essential services to their citizens, with both administering and complying with federal programs, and with accepting the liability for properly performing these tasks.

Given that such local officials do not have the luxury of hiring experts or specialists when faced with complicated federal mandates, they depend on organizations such as ours for guidance. Through NATaT they are informed about federal policy, they are exposed to educational opportunities, and they are brought into the experience-sharing network of other local officials across the country.

While NATaT and other local government interest groups in Washington are conduits of information for local officials, we are also educators and facilitators for Congress and administrative agencies. We carry the messages and the concerns of local government into the policymaking debate. We try to work with federal agencies as they write regulations, in an attempt to make the resulting rules something that local governments can implement.

For local government representatives in Washington, and particularly for the National Association of Towns and Townships, this is where the Intergovernmental Personnel Act (IPA) comes in to play. Although we are just in the beginning stages of an IPA contract ourselves, it is clear that when properly used, the IPA program can be immensely helpful to local government representatives in Washington and thus, to hundreds of thousands of local officials and their communities across the country.

Perhaps at this time it would be helpful to outline our own particular experience with the IPA; to highlight what we see to be its distinct advantages; and to raise a few concerns.

As I mentioned, we are in the beginning stages of an IPA contract with the Environmental Protection Agency (EPA). Our participation in the program came not at our own instigation, but at the suggestion of EPA itself.

Late last year, NATaT presented its "EPA-Small Government Partnership Program" to the agency -- a ten-point program establishing a system through which small community concerns are addressed in the rulemaking process; the Administrator subsequently adopted the proposal in its entirety. At that time, EPA realized that our small office was accomplishing a great deal with very few resources; and that the addition of an EPA employee would be of great benefit both to the agency and the association, as we pursued our legislative and regulatory agenda.

As a result, EPA offered an IPA professional to work with NATaT's Federal Affairs department on the many environmental issues which weigh so heavily on small communities. The term of service for the IPA will be a year, and in our case, EPA is absorbing 100 percent of the personnel-related costs. We understand that this is not normally the case, but since our association is a reflection of our constituency, and dues for our small town members are extremely low by association standards, we would not otherwise have been able to participate in the program.

We were very grateful for this offer. Less than two years ago, NATaT began making special efforts to reach out to EPA in an effort to educate the agency about small governments and to help them understand what the majority of "local governments" in America are all about. It was a lot to bite off, but EPA probably has more regulations with more severe implications for small communities -- both fiscally and otherwise -- than any other agency. Our goal was to see a special office opened within EPA for small communities, and to make sure that the agency was in full compliance with the Regulatory Flexibility Act of 1980 -- a top NATaT legislative priority.

We are meeting those goals; an office for a Small Community Coordinator is presently being established within the agency, and there is also a major program under way to emphasize Reg Flex compliance.

We were able to accomplish this agenda without outside help; we believe that this was possible only because the association adopted a generic approach to dealing with systemic problems; or, in other words, we looked for the fewest places where we could have the

greatest impact. Obviously we could not, with our limited staff, take on separate regulatory proposals such as those addressing landfills, clean drinking water, groundwater, nonpoint source pollution, underground storage tanks, the disposition of hazardous materials, and a myriad of others.

As I have mentioned, however, these very proposals -- which are continually emerging from the EPA pipeline -- have a major impact on small community budgets and on local officials' liability. We cannot ignore them. And the best time to make our concerns known is at the beginning of the regulatory process; to talk with the people who will be writing the regulations, and to work with them to find innovative ways for small communities to meet the intent of the law.

The addition of an EPA professional to our staff will increase our opportunities to interface with EPA -- and thus to help local government officials -- exponentially. It will be a great advantage to have an EPA insider who knows the regulatory ropes and who understands when interaction with program offices will be the most productive. And it will be extremely helpful, as he begins to understand the unique character of small local government, to have him carry that message back to his colleagues at the agency.

The other side of the coin is the outreach advantages which the IPA person will present and the tools he will be able to bring to bear in helping our local officials understand the regulatory process and how to affect it. He will be writing articles for our monthly publication which goes out to over 15,000 communities across the country, explaining EPA policy and suggesting implementation strategies which will work for them. He will be establishing a network of local officials to interact with EPA at regional meetings and through other mechanisms, in an effort to bring the concerns and suggestions of what we call "RLTOs" (Real-Live Town Officials) into the rulemaking process.

These are just a few of the opportunities we see. Basically, the addition of an IPA brings us tools to which we would not otherwise have access. It increases our potential. It allows us new outreach possibilities, both in the direction of local officials and in the direction of Washington policymakers.

Obviously, from our perspective the IPA program is working. We are very grateful that it exists because it helps us to deal with the evolution currently taking place in Washington which is shifting more and more responsibility to local governments. Local governments

desperately need policymakers to understand the reality of local government -- what our resources are, what our problems are -- so that legislation and regulatory policy reflect what is really going on, rather than what we want to believe is going on.

We have said many times that it is not enough for Congress to legislate, or agencies to regulate, and assume that a problem is solved. Problems are not solved unless local governments, which in the final analysis are the true implementors of federal policy, can actually perform what is asked of them.

There is a vast gulf between federal perception of local government and the reality of local government. One of the best ways to bring the federal perception into line with reality, is to put federal employees in touch with local officials on an ongoing basis, so that they can begin to see the situation from the local perspective. The more experience federal policymakers have with local government, the more realistic the rules will become, and that is what we should all be striving for.

There are a few problems that we can see, Mr. Chairman, and as you might imagine, they have to do with the matter of money. Although the problem was solved in our case, it took a lot of doing and a lot of heavy negotiation on our behalf inside EPA. There are many groups such as ours which are extremely reputable, have enormous potential, but are limited in their ability to pay a portion of an IPA appointment. I would suggest that some criteria be established whereby organizations could qualify for an exemption from cost-sharing requirements.

As an alternative, you might consider a requirement for agencies to generate a pool of money from their current services budgets, such as the pool currently established within EPA, which would be targeted for local government organizations meeting the IPA eligibility criteria.

Finally, of course, the ideal situation would be for each agency to have a separate appropriation for IPAs included during the yearly budget process. Perhaps a basic framework for this could be established by including minimal appropriations in FY 91 to set the precedent, with the understanding that agencies must set aside their own funds for the program as well -- tie together the receipt of appropriated money with an internal agency commitment. When funds are once again available in the federal budget, appropriated

amounts could be increased. It is important, we think, for Congress to be on record in support of the IPA concept and to support it to every extent possible with real dollars.

Again, Mr. Chairman, thank you for this opportunity to testify today. We feel strongly that the IPA program can be major step towards accomplishing national goals through realistic rulemaking. We only wish the IPA program applied to Congress as well, since cross-fertilization between local officials and congressional staff could not do anything but help create more realistic national policies, thus achieving the end product we all desire -- comprehensive implementation of our laws which are intended to benefit not only citizens of large metropolitan areas, but those who live in small town America as well.

I would be happy to respond to any questions you may have.

Mr. KANJORSKI. Very good. Thank you very much, Mr. Schiff.
Mr. Kincaid.

STATEMENT OF JOHN KINCAID

Mr. KINCAID. Thank you, Mr. Chairman, for the opportunity to testify.

The Commission, as you probably know, was an important force in the creation of this legislation in the 1960's. We helped to develop the idea and endorsed its enactment.

What I will do is summarize the written statement, which we will submit for the record. In that statement we are making three basic points. One is a point of principle, another a point of practice, and a further point of future consideration.

As a point of principle, the Commission's feeling is that the primary purpose of the Intergovernmental Personnel Act was to promote an exchange of personnel who have governmental, managerial, administrative, and decision-making responsibility. The Act, that is, the IPA program, has tended to stray from that intention. While the Commission certainly has no objection to agencies recruiting research scientists from academic institutions or private industry to bring expertise to the Federal Government, the Commission does question whether the Intergovernmental Personnel Act is the appropriate vehicle to accomplish that purpose.

This is especially so in light of the changes that have occurred in the Federal system. We have had a decline in Federal funding for general purpose local governments and for State governments and an increase in Federal regulation. This brings me to my second point, which has been touched on by several of the other witnesses. We now have an intergovernmental system that is highly integrated. State and local governments are fending for themselves increasingly in terms of providing public services. At the same time, we have a rising rate of Federal regulation, unfunded mandates, and Federal pre-emption of State and local authority.

Given that the Commission has observed the development of some tensions in the Federal system, we think that the proper use of the Intergovernmental Personnel Act would be to help to relieve those tensions, particularly where we have persons in the Federal Government who must make regulations that can affect very detailed activities of State and local governments and where we have State and local officials who really need to have some understanding of where Federal officials are coming from. Thus, given the nature of our Federal system today, we would encourage a greater use of the IPA to promote exchanges of governmental personnel who have real administrative and managerial responsibilities. Interestingly, some of the expertise that State and local governments now need is expertise on how to handle Federal regulations and mandates and not necessarily how to govern them themselves.

I think the Commission would take a position somewhere between GAO and OPM this morning on the question of the change in the flow of personnel. On the one hand, there has been a substantial improvement of State and local competence; consequently, there is less urgency for the kind of expertise that State and local governments may have needed in the past. On the other hand, that

need has not evaporated and the figures that we heard, if they are accurate, seem to me to be a little bit off in that we do have a flow that is going somewhat in the wrong direction, at least in terms of the IPA.

Lastly, to raise a point of future consideration, since this hearing is being a little bit broader than the IPA, we would encourage the committee to consider the idea of pension portability as something perhaps beyond the IPA. Both the nature of the intergovernmental system and our society today are such that individuals have multiple careers, and there is a need for interchange between the private sector and the public sector, and between the Federal, State, and local governments above and beyond what is available under something like the IPA. There is a need to consider the ability of people to move from one career to another and one sector to another.

We have made recommendations over the years for pension portability between local governments and their States so that this interchange can occur within States. We now think it is time to think about expanding that concept to the Federal system as a whole.

Thank you.

[The statement of Mr. Kincaid follows:]

Statement of John Kincaid
Executive Director
Advisory Commission on Intergovernmental Relations
concerning the
INTERGOVERNMENTAL PERSONNEL ACT

Hearing by the
Subcommittee on Human Resources
Committee on Post Office and Civil Service
U.S. House of Representatives
June 20, 1989

Mr. Chairman, my name is John Kincaid. I am Executive Director of the U.S. Advisory Commission on Intergovernmental Relations.

Thank you for the opportunity to testify on the Intergovernmental Personnel Act. The Commission has supported this legislation formally since 1966--four years before it was enacted by the Congress. In many other ways since its founding in 1959, the Commission has recommended intergovernmental measures to improve the federal, state, and local public service. Overall, the Commission believes that the Intergovernmental Personnel Act has been, and continues to be, a good idea -- so long as the primary focus is on federal, state, and local employees who have actual governmental duties. The Commission's legislative mandate is to recommend ways to improve intergovernmental cooperation, and we recognize that personnel and information exchanges are crucial to such cooperation.

The United States is, after all, one nation with many governmental responsibilities that are shared by the federal, state, and local governments. Public employees in all of the nation's 83,217 governments must work together to serve the general public. We cannot afford weak links in our federal system if we wish to achieve excellence. That is basically why the Commission supported Congressional enactment of the Intergovernmental Personnel Act.

In the 1960s, when it became more apparent that we needed to think of the public service in America as an interrelated system, rather than as 83,217 completely separate employers, much of the focus of attention was on capacity building in state and local governments, of which the Intergovernmental Personnel Act was one facet. A major purpose of the Act was to "reinforce the federal system by strengthening the personnel resources of state and local governments."

Unfortunately, the Commission has not had the resources in recent years to study the nation's public personnel systems in depth or the current implementation of the Intergovernmental Personnel Act explicitly; however, all available indicators point to great progress. Most state and local governments are now competently staffed and able to perform a much greater variety of functions than they could two decades ago. This is an important development because most of the public servants that America relies upon are employed by state and local governments. Only 18 percent of all civilian public employees work for the federal government. The result is that much of what the federal government wants to accomplish nationwide is done by state and local employees.

The key issue, therefore, is no longer primarily that of strengthening the personnel resources of state and local governments, although this remains important. In the past, it was often possible to say that federal analysts and administrators were generally more competent than their state and local counterparts. Today, one generally finds comparable or superior expertise among state and local employees. Thus, the federal government now has much to gain by availing itself of state and local governmental expertise through programs of the

Intergovernmental Personnel Act. In other words, the genuine partnership potential of the Act is more possible today than ever before.

This essential link among the employees of the federal, state, and local governments was more obvious, perhaps, in the 1960s and 1970s when linkages were most often forged through federal grant programs. Many of those programs provided funding specifically for building up state and local staffs, and for training them in new functions and techniques. Indeed, the Intergovernmental Personnel Act itself provided funds for some of this capacity building in the 1970s.

With recent reductions in federal grants as a proportion of state and local government revenues, there has been some tendency to believe that this intergovernmental personnel link is becoming less important. However, a current Commission study, partly summarized in Table 1, shows that federal preemptions of state and local powers are accelerating. Our study also indicates that their scope is expanding. Thus, while federal funding declines as the vehicle for linking staffs together, federal regulations are replacing those dollar linkages. A major problem with this change is that regulatory linkages tend to have more of a command-and-control character than was the case with the old grant-in-aid system, although the grant system itself has now become a magnet for regulators.

This era of regulatory federalism has sparked conflict in many intergovernmental areas. Consequently, building more cooperative relations will, among other things, require greater sensitivity and understanding on the part of federal officials to state and local competencies, and to the problems faced by state and local governments in complying with federal rules, especially when federal funding is not

Table 1
Federal Preemption Statutes by Period of Enactment

	<u>Civil Rights</u>	<u>Money</u>	<u>Business</u>	<u>Health and Safety</u>	<u>Other</u>	<u>Total</u>
Before 1900	4		10	1		15
1900-1909			5	4		9
1910-1919		1	8	3	3	15
1920-1929		1	8	4		13
1930-1939		7	22	8	4	41
1940-1949			9	4	1	14
1950-1959	2	2	11	3		18
1960-1969	8	3	6	23	1	41
1970-1979	13	15	22	43	1	94
1980-1988	8	8	23	48	4	91
Totals	35	37	124	141	14	351

SOURCE: U.S. Advisory Commission on Intergovernmental Relations, Federal Preemption of State and Local Authority (Washington, D.C.: ACIR, draft document, May 1989), Appendix A, Inventory of Federal Preemption Statutes.

provided for implementation. At the same time, state and local officials need to understand the imperatives faced by federal officials.

The situation is all the more problematic because many key decisionmakers and administrators in the federal government have no direct experience in state and local government and vice versa. Furthermore, for example, a recent Commission study of disability rights mandates found that federal compliance with these mandates is not demonstrably better than state compliance. Yet, when state and local governments are not in compliance, federal agencies can often impose sanctions on them. When federal agencies are not in compliance, however, there is often no effective mechanism for imposing sanctions on them, as we have been learning recently in the field of environmental protection.

Today, therefore, it is very important that the regulated and the regulator be able to "walk a mile in each other's moccasins," so to speak, especially since there seem to be fewer options than in the past for bringing employees with similar responsibilities together across governmental boundaries and, thereby, broadening their experience. While it is useful to bring research scientists, academics, and other persons into the service of the federal government, we believe that IPA programs should concentrate on public employees having policy relevant responsibilities.

We would, therefore, encourage greater use of the Intergovernmental Personnel Act to promote more personnel exchanges among key decisionmakers and administrators and to establish more forums for dialogue among federal, state, and local officials. In fact, given the highly intergovernmentalized nature of our federal system today and the

preemptive role of the federal government, we would go so far as to say that concrete experience in state and local government service should be a requirement for any federal civil servant charged with responsibility for drafting, overseeing, or enforcing federal rules and regulations that must be implemented by state and local governments. This state and local experience could be acquired prior to employment in the federal civil service or during federal civil service employment through the Intergovernmental Personnel Act. In short, we believe that the personnel mobility provisions of the Act are one essential tool for facilitating the cooperative implementation of intergovernmental policy objectives.

Another essential tool, provided at least in part by the Intergovernmental Personnel Act, is the eligibility for federal, state, and local employees to enroll in each other's training programs. Such cross-program participation can be both cost effective and substantively beneficial for all parties.

The need for intergovernmental personnel mobility is likely to grow in coming decades, in part because career mobility is increasingly the norm in our dynamic, technological society. Increased job mobility, restructuring of the economy, and other socioeconomic developments make it ever more likely that the average employee will have several careers with different employers during his or her lifetime.

Although Social Security underpins this job mobility with a nearly universal, baseline pension system that follows the employee wherever he or she goes, most employees want and need more than Social Security. Yet, many pensions do not easily follow the employee from job to job. In 1963, the Advisory Commission on Intergovernmental Relations recommended

that public-employee pensions be made portable within the public service between a state government and the local governments within the state. It may be time, now, to expand that concept to the whole federal system. Labor Secretary Elizabeth Dole, speaking recently to the AFL-CIO, referred to the growing need for additional portability of pensions as the American labor force becomes more mobile.

Career mobility among the federal, state, and local governments, backed up by greater public-service pension portability, would probably help to keep mobile workers in the public service where they are badly needed. Increased opportunity and career choices within the public service would make long years of service to the public more attractive to a larger number of well qualified personnel who would otherwise move into the private sector.

As former Senator Edmund Muskie wrote in 1967, when he was supporting enactment of the Intergovernmental Personnel Act:

The quality of life in our country depends on the quality of government, and the quality of government depends on the quality of the men and women who make the government work.

Senator Muskie's point is as true today as it was in 1967. America needs to continue, and to improve, its intergovernmental personnel program so as to keep pace with its increasingly mobile society and its increasingly intergovernmentalized system of government. The Commission, therefore, commends your committee for focusing attention on this important program.

Mr. KANJORSKI. Thank you very much, Mr. Kincaid.

It is interesting. I guess I have a tendency to identify more with this panel than any other one because I had my experience on a local government level.

I would particularly like to have some of your statistics. I mean you even surprised me, because I didn't realize that the size of governments was quite as small as you put them. I must have been working for a large government when I thought they were small towns.

You heard some of my prior questioning. I have concluded from the four previous panels that I guess there is a lot of happiness with the way the system is happening to solve some of their immediate problems. But I agree with Mr. Kincaid's observation here that we probably have got quite far afield from what the original intent of this program was, and my experience was that the information was barred almost from State and local governments, that there was this thing out here called the Intergovernmental Personnel Program that nobody told you about, and it wasn't funded, and it really existed, but it didn't exist any more. Is that what you are substantially saying?

Mr. SOUTHWORTH. Yes.

Mr. KANJORSKI. And there is still a need for it, I assume your testimony is.

Mr. SOUTHWORTH. Yes. We as an organization, and I personally in my position in State government, strongly endorse keeping the program. Hopefully, we could embellish it a little bit and make some of these changes. I think the one with the private sector is an interesting concept.

I find with the local levels, those things could be done through the governor, for example, and other things. I know we have done it in our State, where we have had problems in going to industry and asked them to borrow people and come in and work on a task force full time, for example. So I would think if we could do that at the local or State level, that perhaps it could be built into the program, taking into consideration the concerns with ethics and conflict and so on.

Mr. KANJORSKI. The thing I have to ask: How do you find out who you need?

Mr. SOUTHWORTH. I tried to point that out, Congressman. This is one of the frustrations that we have found, and we have found with many of these programs. It is very difficult.

I think if you are working in HHS and EPA where they have almost daily contact with that Federal counterpart either through the regional office or the Washington office, you get to know these people, and you are working in a very narrow, specific area, for the most part. Once you branch out beyond that, maybe you get into local government, and they have all kinds of needs, and they cover a whole span of activities. How do they find out where these people are, and could OPM become that kind of a resource for us?

I mean I know in State government, agencies use us for that expertise and we try to help them. I think when you are in a human resource area people focus on that, and they look, and they say, "Well, somebody in personnel should know what is going on in their State or maybe even at the Federal level," so they call you,

and you begin to work, and maybe OPM could do that at the Federal level.

Mr. KANJORSKI. An interestingly sidelight, to give you a case I just recently ran across, we are putting a partially Federally funded dam in an area in Pennsylvania, about 1,300 acres it will cover, but it covers four political subdivisions, four townships, and touches three counties. It was interesting. There has been a tremendous reaction that, "We don't want the dam," and I immediately assume, well, nobody wants it in their backyard, that mentality. It had nothing to do with that. When I met with these officials, they said, "No. Our objection is, we don't have any zoning, and not one of our communities has a population greater than 1,000 people, and we can't afford to do a study in zoning and control, and, as a result, when you build this dam, people come up here and develop this any way they wish," and all they were really asking for was assistance in how to get land use control and where to go to get this assistance.

An interesting problem, that we will fund a \$100,000,000 dam but we won't fund a \$100,000 or send an executive out that knows something about it.

The point I think the three of you have made that is interesting today is, those of us that get in this Beltway—and I guess after four years I consider myself within this Beltway—because the local governments are so highly organized and operate almost like little Federal Governments—you know, top personnel, good efficiency, not efficient necessarily in their budget considerations but at least with personnel and providing the functions—we tend to begin to think that all of America is made up of this type, the Fairfax County, the Arlington, the Vienna, Virginia, type of thing, and indeed it isn't, and that is the problem. Where do you go? Where do you find out?

Mr. SCHIFF. Congressman, I think you are absolutely right, and there is a little bit of additional flavor to that, that we try to talk about a lot in this town; and that is that the sheer numbers of local governments out there that are small, even at a standard of 50,000, is very off-putting to many people who are providers of technical assistance. They don't believe that they can be effective because the universe is so large.

It is a fact that there are only 450 local governments in the entire country that have more than 50,000 people. Well, you, as a legislator, could easily direct every agency to find 450 people to exchange with the largest communities in the country, and I do not dispute that they have problems, but compared to the problems that these four townships that you reference have in terms of access to expertise and computers and other technology, when you talk about thirty-eight-plus thousand local governments below that level it becomes very daunting. And what happens then, instead of stimulating exciting, innovative thinking, is that the process closes down and people say, "Well, it's just too big a deal; we can't try to handle that sort of a situation."

Mr. KANJORSKI. How many people actually participate with the 38,000 small communities from the IPA program?

Mr. SCHIFF. I have no idea.

Mr. KANJORSKI. Is there any way of finding that out?

Mr. SCHIFF. As I say, we were sort of a special case in that we did not seek the IPA appointment. We were approached by EPA and asked if we thought it would be a good idea.

Mr. KANJORSKI. That is for your association?

Mr. SCHIFF. That's for our association.

Mr. KANJORSKI. But you don't know of any then actually going down to these small 1,000—

Mr. SOUTHWORTH. I do not know of any personally. I would dare say there are some.

Mr. KANJORSKI. Mr. Kincaid, that brings me up to your testimony. What do you think of the OPM's oversight of this whole program? Do you have a real honest, candid opinion? I mean you obviously heard mine.

Mr. KINCAID. All I have heard is the testimony this morning, Mr. Chairman, and so I don't really have a good enough base of information to respond to that question.

Mr. KANJORSKI. Do you think your Commission should exercise a greater role of oversight?

Mr. KINCAID. Ideally, yes; practically, no. This would be item 1,001 for our staff of 15 and item number 47 on a research agenda we are presently considering. The Commission has tried to recommend the creation of these kinds of programs and then point to some of the problems we have today, but we have not, unfortunately, had the resources to examine the IPA in detail and be able to come back to you and say, "Here are specific recommendations." If funding were available for us to do that, we could probably undertake the study.

Mr. KANJORSKI. Do you agree with me in some of the questions I asked that we can't get a response and we should get a response to some of these questions?

Mr. KINCAID. I think we definitely should look into some of these issues, especially the general thrust of the program, as to whether it conforms with the original intent of the legislation.

I would also raise a concern about the points you were making this morning about interagency coordination within the Federal Government. The Commission has made a great many recommendations along those lines, particularly in light of the effects of Federal regulations coming down from separate posts, so to speak, on State and local governments.

Mr. KANJORSKI. Do you have recommendations on that?

Mr. KINCAID. We have a lot of them we can send over.

Mr. KANJORSKI. I would like that.

I have to tell you a personal note, and we will take just a moment here. I have a major river flowing through the district, and we are putting about \$200 million in a dike system, about \$4-\$5 million in a dam system. We have an outlay of water coming in that is highly polluted with toxic chemicals that will take \$50/100 million Superfund money, and then we have maybe four major sewer systems that have expended over \$100 million in Federal money. So you are talking almost a half a billion dollars of Federal money involved in this waterway, and there is absolutely no coordination. I mean one agency doesn't know what the other is doing in terms of when the dike will go up, when the system will be made for this. It is just absolutely incredible, and it is frightening.

If that can happen in one little geographical area of the country, just what are we doing when we get down to real small town America, because this isn't that small—350,000 people; unfortunately, about 40 subdivisions of government involved, which makes it rather complicated to handle.

But it is just an incredibly bad situation as far as management is concerned, and the tendency is that everybody walks away and signs their grant money, or issues their order, or does whatever they have to do, and they feel the problem is solved, and quite frankly, it is a disaster. We have one contractor raise the dam and the other contractor is tearing it down, and they are suing each other as to who has the right to do what.

Mr. KINCAID. We have found that the ability of a multiplicity of local governments to get together and solve a problem has increased significantly. Now what they are running into is not so much fragmentation at the local level but fragmentation sometimes in State government and then in the Federal Government, where you have a variety of agencies that deal with an issue. That fragmentation, frankly, extends into the Congress, where you have a number of committees and subcommittees having responsibility for a policy field.

Mr. KANJORSKI. In testimony the other day on another committee that I serve on about our energy policy, I think it was a recommendation of the States' National Governors Conference that we had better get a super committee for energy policy in this country or we will never have an energy policy, and after hearing the testimony I agree. Our problem is that we just have too much fragmentation and perhaps too much jealousy in jurisdiction. It extends into this institution, no question about it; I think we would have to plead guilty.

Mr. KINCAID. But I think our feeling, again, would be that the IPA may not be the most appropriate vehicle for looking at inter-agency coordination within the Federal Government.

Mr. KANJORSKI. I am very much interested in that, though, if you have some ideas and proposals on it, and I do happen to sit on a housing committee in Banking, and we are working with community development grants, and that brings up all that relationship of just at what point we should have the capacity to have one person oversee all these different conflicting interests and put it together, and I think it is a big lacking that we have in government on the local, State, and Federal level; we walk away from it.

Mr. SOUTHWORTH. Related to that, and not to add to the bureaucracy and all the paperwork we deal with every day, perhaps one way to get at that coordination might be working through the States. Maybe we are unique in Rhode Island because we are so small. But as I thought about this and I listened to the testimony, the Governor's Office and my office, or anybody in State government, really has no idea where these interchanges are taking place. That is what we call them. We have an interchange statute in Rhode Island, because we do it with State people. But, for example, if someone from our university is going to work in the Federal Government or vice versa, wouldn't it be helpful to know that that is going on? There might be some transferability. If someone is going from the Federal Government to our environmental agency

to work on a project, perhaps there are other State agencies that ought to know about that, because maybe there can be a coordination and we can extend that benefit to more than one State agency.

I don't know if that is possible and whether the Federal Government could do that, and that is more of an administrative kind of thing, but just a thought I had in terms of how to bring that coordination about, at least at the State level, and the locals might also do the same thing, I don't know. I think they have these leagues of cities and towns and other things in most of the States anyway. That might be a vehicle for them also.

Mr. KANJORSKI. I suspect that I can conclude from the testimony that the three of you generally agree that there has been a letdown in advertising and promotion of the program and that that should be picked up.

Mr. SOUTHWORTH. Yes.

Mr. KANJORSKI. That what happened prior to 1980 was good policy, not bad policy, and that we have slackened off on that may be more reflective of why the flow now is coming this way rather than the other way more than anything else.

Secondly, you wouldn't want to restrict the program. In fact, you think it is underutilized and perhaps could be more greatly utilized. Is that a reasonably conclusion from your testimony?

Mr. SOUTHWORTH. Yes.

Mr. KANJORSKI. And, thirdly, I don't know if I sensed anything on the conflict of interest or ethics. Do any of you feel that we should put any more constraints on people moving one way or the other on this whole question of ethics and conflict of interest in government, or have we had enough of that nonsense and should maybe spend more time on doing substantive things rather than headline seeking?

Mr. KINCAID. It seems to me that if we were focusing more on bringing general purpose State and local officials into the Federal Government and vice versa, then that becomes less of a problem because they are really sharing the common problems they have to deal with, and experiences. It is not the same thing as going back with an idea that has a profit potential attached to it. So I think there is less of a problem in that area than there is in other areas.

I also think it is important to look at the program in terms of whether the expertise is getting transferred to general purpose governments effectively and inexpensively. If one is bringing, let's say, a marine biologist into the Federal Government to do work and then he goes back to his university with that expertise, it may not necessarily transfer to local government or State government, or transfer free. If a local government has a problem with a lake and they go to the university, the university may charge them for that person to come out and deal with the problem. So that Intergovernmental Personnel Act transfer is not necessarily transferring the expertise directly to local government in a way that, I think, fulfills the purpose of the act.

Mr. KANJORSKI. You are touching on a very sensitive area that I think we really have abuse in, and that is use of consulting fees in the academic world and expertise they have gathered from other sources and then selling it, restricting it. Some day I would like to go into that.

This committee has jurisdiction over human resources and utilization of Federal employees. Is there anything we could do to get out into the field and perhaps meet the small communities or get into the State areas and hold hearings in the field to accomplish anything, or is that foolish to even consider that?

Mr. SOUTHWORTH. I would think, from the State perspective, with our national organization, and there's only 56 of us because we limit our membership to just my counterparts really, and we find through the Council of State Governments who have worked with us and so on, that we have very good communication once we know who to deal with, and I think that you could be helpful in your committee, respectfully, by looking at some of these recommendations in terms of helping with funding for the poorer States and communities and better coordination so we know in the States when things are going on, so we can extend that benefit really and that expertise. I think it would be helpful, and perhaps if you have any say over that and OPM develops the regulations, that might be helpful, encouraging that.

Mr. KANJORSKI. Just on a point to close, to just show how effective it could have been, we are just going through the S&L bail-out, and one of the major causes of the bail-out is the failure of State banking organizations to properly examine the State-chartered institutions, specifically in Texas and California. In Texas, the cost to the Federal taxpayer will be a little over \$60 billion, just in the improperly examined State-chartered institutions which their agencies failed to properly examine. Imagine, with a loan of employees from FDIC or FSLIC to the State of Texas, what amount of money that could have saved this Government. I mean it is just absolutely astounding.

So I am more than acutely aware that sometimes that expertise does exist up here, and we are sitting on top of it, and out there in the field where it could be of great value it just doesn't get there.

I want to thank you gentlemen for being part of the panel today, I appreciate it, and if we can have the right, if we have any additional questions that we could submit to you in writing, we would like to feel free to have you respond, if you will.

Mr. SOUTHWORTH. Absolutely.

Mr. SCHIFF. Absolutely.

Mr. KINCAID. Yes, sir.

Mr. KANJORSKI. We will make the General Accounting Office study a part of the record.

[Whereupon, at 1:15 p.m., the subcommittee was adjourned.]

[The study referred to follows:]



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-233619

June 19, 1989

The Honorable Ted Weiss
Chairman, Subcommittee on Human
Resources and Intergovernmental Relations
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

This report responds to your request that we review the mobility program created by the Intergovernmental Personnel Act (IPA) of 1970. The mobility program allows federal agencies to temporarily assign personnel to and receive personnel from eligible nonfederal organizations, such as state and local governments, institutions of higher education, and Indian tribes and tribal organizations, as well as other organizations approved by the Office of Personnel Management (OPM). The program is run for the mutual benefit of all participating organizations.

We previously briefed the Subcommittee on the results of our review. As requested, this report summarizes the information we gathered and our conclusions on that information. Appendixes I through V contain charts, narrative, and graphs giving more detail on the following topics: (1) changes to the program, (2) the extent and nature of the program's use, (3) program cost, (4) agreement purposes and benefits, and (5) OPM guidance and oversight.

RESULTS IN BRIEF

Congress expected that the various programs created by the 1970 act, including the mobility program, would improve the personnel resources of state and local governments. Initially, this was the case. In the early 1970s, most of the assignment agreements involved sending federal employees to state and local governments.

Over the years, however, the mobility program has benefited the federal government. Since about 1975, the program has become primarily a way to bring college and university

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personnel into the federal government. Although federal agencies find this a beneficial arrangement, the present program's character differs considerably from that originally envisioned by Congress. For this reason, Congress may wish to revisit the uses and purposes of the mobility program.

In addition, OPM has exercised minimal guidance and oversight of the mobility program since 1982, when OPM limited its involvement in all IPA activities. As a result, OPM has not always obtained information and taken the follow-up steps needed to ensure that assignments are proper. We are making recommendations to OPM concerning its oversight of the program.

OBJECTIVES, SCOPE, AND METHODOLOGY

To determine the purpose of the mobility program and how it has been used and monitored, we examined the act's legislative history and obtained statistical information from OPM on IPA assignments governmentwide from fiscal years 1971 through 1983. We also sent a questionnaire to all 48 federal departments and agencies known to be participating in the program to obtain data on each agreement from fiscal years 1984 through 1988. We obtained more detailed information on the program, such as the stated purposes and benefits of randomly selected agreements, for five agencies with the largest number of agreements. We also reviewed records and held discussions at OPM to determine how it had carried out its responsibilities under the act. Appendix VI provides additional details on our objectives, scope, and methodology.

MOBILITY PROGRAM NOT DIRECTED AT SERVING INTERGOVERNMENTAL PURPOSES

The 1970 act authorized grants, training, technical assistance, and mobility assignments. Although Congress has amended the act several times, the underlying statutory purpose has remained the same: Improve federal-state-local government cooperation by strengthening the personnel capabilities of state and local governments. There is no indication in the legislative history that Congress' expectations have changed about the original intergovernmental purposes of the mobility program.

While the act has always permitted colleges and universities to participate in mobility assignments, the assignment of personnel to and from state and local governments to improve their capabilities has been stressed from the beginning.

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Neither the act nor its history, however, specifically explain what role colleges and universities were originally intended to play. During 1969 hearings on the act, concerns were raised about the need to protect federal employees' pay, tenure, and reemployment rights while they were temporarily assigned to colleges and universities. Thus, the legislative history indicates that the primary purpose for including institutions of higher education in the proposed law was to protect the employment rights of federal employees while on such assignments. However, it does not elaborate the specific benefits to be derived by the assignment of college and university personnel to federal agencies.

IPA Participants Now Come Mainly
From Colleges and Universities

Data we accumulated indicate that mobility assignments are no longer being used primarily to strengthen state and local governments' personnel resources. Instead, federal agencies overall have made most of their agreements with colleges and universities in order to bring personnel with higher education into the federal government. The assignment of personnel to and from state and local governments to improve their capabilities appears to have become a secondary purpose.

According to OPM data, about 61 percent of all agreements made during the mobility program's first 5 years were with state and local governments. Our survey of participating agencies covering fiscal years 1984 through 1988, however, showed very different results. During this period, we found that only about 20 percent of the approximately 4,000 agreements were with state and local governments; most (about 68 percent) were with colleges and universities. Of the remaining 12 percent, 7 percent were with Indian tribal organizations and 5 percent were with other organizations, such as the National Academy of Sciences, the World Wildlife Fund, and the National League of Cities.

The Departments of Health and Human Services (HHS), Veterans Affairs (VA), the Army, the Navy, and the Environmental Protection Agency (EPA) accounted for about 65 percent of the assignment agreements reported to us for fiscal years 1984 through 1988. In three of these agencies (VA, the Army, and the Navy) more than 96 percent of the assignments involved bringing college and university personnel into the federal government. Less than 1.5 percent of their total 1,481 assignments were with state and local governments.

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Of HHS' 752 assignments, 40 percent were with colleges and universities, 32 percent were with Indian tribal organizations, and 26 percent were with state and local governments. In contrast, about 72 percent of EPA's 319 assignments were with state and local governments and 20 percent were with colleges and universities. The remaining assignments made by EPA and HHS were with other organizations.

In general, the nature of the five agencies' missions influenced the extent to which they made assignments with state and local governments. For example, EPA, which made most of its agreements with state and local governments, works directly with those governments to implement federal environmental laws. Other agencies, like VA and the Navy, that do not need to work extensively with state and local governments made relatively few agreements with them.

Under the mobility program, nonfederal personnel may be "detailed" to federal agencies, allowing them to retain their employment status with their nonfederal employer and to be excluded from federal agencies' personnel ceilings. Nonfederal personnel may also be appointed as temporary federal employees.

Federal employees may be detailed to nonfederal organizations. Nearly all (about 96 percent) of the approximately 4,000 agreements provided for the detailing of federal and nonfederal personnel under the mobility program. The remaining 4 percent received temporary appointments or were in leave-without-pay status while in the program.

Federal Agencies Generally Obtain the Benefits and Pay Most Assignment Costs

In reports to OPM during fiscal years 1986 to 1988, the five federal agencies accounting for 65 percent of the total agreements said that mobility assignments were beneficial for many reasons. While the act says that mobility assignments must be mutually beneficial to both sending and receiving organizations, reports from four of the five federal agencies cited benefits accruing mainly to the federal government. For example, VA, the second-largest federal participant, cited the benefit of obtaining expert services for limited periods of time, a benefit not normally available through regular employment channels. Unlike the other four organizations, EPA emphasized benefits accruing to state and local governments and reported that the program had been valuable for facilitating federal-state cooperation and understanding through assignments of skilled manpower.

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Our review of a sample of 50 assignment agreements, which involved 10 agreements selected randomly from those made by each of the five federal organizations during fiscal years 1987 and 1988, confirmed that these federal organizations, more often than state and local governments and even more often than colleges and universities, were the principal beneficiaries of mobility assignments. OPM provides guidance for determining, on the basis of an assignment's primary purpose, whether the federal or nonfederal organization will be the principal beneficiary of the assignment. The principal beneficiary is to bear most of the assignment cost. Under OPM guidance, the borrowing organization is usually the principal beneficiary of the assignment.

Using the above criteria, we determined that the five federal organizations were the principal beneficiaries in 37 of the 50 assignments. Of these 37, 30 were made by VA, the Army, and the Navy. State and local governments were the principal beneficiaries of nine assignments, and Indian tribal organizations were the principal beneficiaries of the remaining four.

According to OPM's guidance, federal agencies may pay all, some, or none of the assignment costs, which may include regular salaries and supplemental pay (such as lost consulting fees), fringe benefits, and travel and relocation expenses. Consistent with the benefits they derived, the five federal organizations generally agreed to pay most or all of the costs associated with the assignments. The five agreed to pay 100 percent of the costs for 31 of the 50 assignments; 25 of the 31 assignments were made by VA, the Army, and the Navy. The federal share for the remaining 19 assignments averaged 43 percent and ranged from no federal share to 87 percent.

At the Subcommittee's request, we also examined the cost of assignments at the National Science Foundation (NSF), the National Institutes of Health (NIH), and the National Endowment for the Humanities (NEH). The total cost of 188 assignments, active at these three agencies during some or all of the 20-month period that ended May 1987, was about \$14.6 million. Of this amount, the three agencies paid \$12.0 million, or about 83 percent. Most of the costs were for salaries and fringe benefits.

Of the 188 assignments, 14, all of which were made by NSF, included salary payments exceeding the upper limit on federal Senior Executive Service (SES) salaries in effect when NSF made the assignments. Later, in the appropriation acts for fiscal

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years 1988 and 1989, Congress limited NSF's payments for salaries under such assignments. The 1988 appropriation act limited the federal portion of the salaries to the top level of the SES schedule (\$80,700 as of January 1, 1989). The 1989 appropriation act continued the cap on the federal share of the salaries and added a provision that also limits to \$95,000 NSF's share of the salaries for positions funded by grants.

OPM REDUCED ITS INVOLVEMENT
IN THE MOBILITY PROGRAM

By Executive Order 11589 of April 1, 1971, as amended, the President delegated authority to OPM for issuing regulations on the mobility program. Under its 1980 regulation, 5 C.F.R. 334.107 (d)(1981), OPM is responsible for ordering federal agencies to correct or terminate improper assignment agreements.

Funding for the Intergovernmental Personnel Act grant program was rescinded in June 1981. In fiscal year 1980, OPM budgeted \$20 million for IPA-related grants, training, and other assistance for state and local governments. When funding was rescinded for the grant program, OPM eliminated its Office of Intergovernmental Programs.

Because mobility assignments, unlike other IPA programs, are funded by participating agencies rather than through OPM, the program remained active. In keeping with the 1982 retrenchment policy, however, OPM has since reduced its staff committed to the mobility program from five full-time staff in fiscal year 1978, to four in fiscal year 1982, and to two in April 1987. The number remained at two as of March 1989. During fiscal years 1982 through 1988, the overall number of assignment agreements increased from 583 in fiscal year 1982 to 817 in fiscal year 1988.

OPM Did Not Always Receive
Information to Monitor Assignments

Along with reducing its staffing commitment to the mobility program, OPM had not obtained information or taken other steps necessary to fully carry out its oversight responsibilities mentioned earlier. It had neither effectively monitored agencies' use of mobility assignments nor always ensured that agreements were proper, as provided in its 1980 regulation.

OPM's Federal Personnel Manual (FPM) requires federal agencies to furnish copies of all mobility assignment agreements,

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including modifications and extensions, to OPM within 30 days after being signed. OPM is unaware of the assignments unless agencies furnish copies of them. In reducing program oversight, OPM stopped recording the receipt of agreements and stopped preparing related internal management reports. Without such records, OPM is hampered in carrying out its oversight responsibilities. It has no sound basis to readily estimate the program's scope and to provide administrative control over the agreements it does receive.

Since the spring of 1987, OPM has not followed up with all agencies to obtain agreements. At that time, OPM provided agencies with lists of agreements that it had received for fiscal year 1986 and requested that the agencies provide any agreements not on the lists. Along with agreements provided by other agencies, OPM obtained 217 additional agreements from the top five federal participants, or about 33 percent of the total received from these agencies for fiscal year 1986. As part of our review, we asked OPM to locate from its files the 188 agreements made by NSF, NIH, and NEH for a 20-month period. (See p. 5.) OPM was able to locate most of these agreements but could not account for 20 (about 11 percent).

To carry out its oversight responsibilities, OPM also requires federal agencies to provide evaluation reports on their use of the mobility program at the end of each fiscal year. OPM's guidance, however, does not specify when the reports are to be submitted. While OPM officials said that they use the reports to determine trends and patterns in agencies' mobility agreements, one OPM official said that OPM does not prepare any internal management reports on the program and does not keep a record of reports due and received. In fact, we determined that OPM often did not receive required reports. As of March 1989, 18 months after the close of fiscal year 1988, OPM had received reports from only 12 of 36 agencies that had made assignment agreements in that fiscal year. Six months after the close of fiscal year 1988, OPM had received reports from 11 of 36 agencies that made agreements in that fiscal year. As of March 1989, it had not received reports for fiscal year 1988 from three of the top five federal participants.

OPM Did Not Always Obtain Timely Corrections of Improper Agreements

As mentioned earlier, OPM has the authority to order federal agencies to correct or to terminate improper assignments. Although an OPM official said that OPM reviews each agreement made by the federal agencies, OPM had few records of its review

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of agreements and for those that it did have, OPM did not always receive timely corrections from the federal agencies.

OPM staff said that they minimally review every agreement that they receive but do not routinely record the results of all their reviews. OPM staff also said that they frequently contact agencies by telephone to obtain more information on agreements or to have improper agreements corrected. They provided us with files containing letters requesting agencies to correct 20 agreements and respond to OPM within 14 to 21 days. OPM had found that these agreements missed signatures or other required information, exceeded the maximum 2- and 4-year limits, assigned employees who were ineligible because they lacked the minimum federal service required (90 days) or were not employed by OPM-approved organizations, and had other problems.

As of March 1989, OPM had received corrected information on 17 of the 20 agreements. Of the remaining three, OPM staff said that one agreement will be corrected by the agency and that two agreements made in 1984 have since ended and were never corrected. Of the 17 agreements that were corrected within 30 days, OPM received responses on 5 indicating that corrections were made. On nine assignments, agencies took an average of 163 days to respond to OPM with corrections. The range was up to 272 days. Due to insufficient information on the responses for the other three assignments, we could not determine the length of time it took for the agencies to respond to OPM.

In reviewing annual evaluation reports, OPM did not always question agencies about personnel who did not return to the sending agency in accordance with the FPM. OPM requires agencies to report on federal personnel who do not return to agencies after completing assignments and also on nonfederal personnel who are hired by federal agencies within 3 months after completing assignments. OPM guidance says that the program is not to be used as a "hiring vehicle" and that federal personnel assigned to the program should return to the agency and serve a period of time equal to the length of the assignment. OPM requires such employees to reimburse the federal government for the federal share of assignment costs (excluding salaries), unless the head of the agency waives the requirement.

As of March 31, 1989, in reports sent to OPM for fiscal years 1986 through 1988, six agencies reported that a total of 31 federal personnel did not return to the federal government after completing their assignments. OPM staff said that they

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did not follow up on instances where employees did not return to the federal agency after assignments. They did not believe that the frequency of this occurrence relative to the total number of agreements warranted any OPM action. Furthermore, there is no regulation prohibiting this practice, according to OPM officials.

OPM Is Not Required to
Report on the Mobility Program

Currently, OPM is not required to report to Congress on the mobility program. As a result, governmentwide information on the program's scope, management, and effectiveness has not been regularly provided to policymakers. As noted in a recent GAO report,¹ "program evaluation . . . provides sound information about what programs are actually delivering, how they are being managed and the extent to which they are being effective or cost-effective." OPM has not done any governmentwide evaluations of the mobility program since at least the early 1980s.

INCONSISTENT HANDLING OF ETHICS REQUIREMENTS

OPM policy states that personnel on mobility assignments with federal agencies, whether by appointment or on detail, are subject to various legal provisions governing conflict of interest and other conduct of federal employees. Agencies are required to inform personnel of these provisions and to check boxes on the assignment agreement form to indicate that this was done. However, agencies do not always require employees detailed to federal agencies to file financial disclosure reports for use in identifying and resolving any apparent conflicts of interest. For example, while NSF required mobility program participants to file confidential financial disclosure reports, neither VA nor HHS required such reports.

In May 1989, an official from OPM's Office of Government Ethics² (OGE) said that OGE was drafting regulations on obtaining confidential financial disclosure reports from federal employees. This OGE official said that he did not know if the proposed regulations would specifically address the

¹Program Evaluation Issues (GAO/OCG-89-8TR, Nov. 1988).

²Effective October 1, 1989, Public Law 100-598, 102 Stat. 3031, 3035(1988), establishes OGE as an independent executive agency.

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circumstances in which personnel assigned on detail to federal agencies under the mobility program must file disclosure reports. OGE did issue an informal opinion in 1979 advising that employees detailed to federal agencies under the mobility program should be required to file confidential reports. In May 1989, an OGE official said that this opinion represents OGE's current view.

CONCLUSIONS

The mobility program has benefited both federal agencies and nonfederal organizations. The program has provided federal agencies with a way to satisfy a variety of personnel needs. Agencies find the program beneficial because of the flexibility it offers them in obtaining the temporary services of nonfederal personnel. Agencies, however, have used the program primarily to obtain the services of college and university personnel. While the 1970 act clearly permits agencies to bring personnel into the federal government from colleges and universities for practically any purpose and to pay all salary and related assignment costs, such assignments are to be mutually beneficial to federal and nonfederal organizations. In addition, costs are to be shared accordingly. The agreements we reviewed, however, indicated that the federal government is often the primary beneficiary and, consequently, absorbs most--and many times all--of the assignment costs.

In short, while the act is being followed, most agreements made by federal agencies are no longer serving the act's basic purpose of strengthening state and local governments through the assignment of personnel to and from those governments. Because the character of the mobility program has changed considerably, we believe that Congress may want to consider whether the primary use of the program today is appropriate.

OPM has curtailed its IPA efforts to the point that it is providing, at best, minimal guidance and oversight to the mobility program. Even with the limited resources committed, however, OPM can do a better job of monitoring assignment agreements. Under its current oversight approach, this will require that it obtain better information on how agencies are using the program and that it direct agencies to make timely terminations or corrections of any improper assignments. Finally, there is no requirement for OPM to evaluate and report to Congress on the mobility program, including its cost effectiveness.

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We did not determine what staffing would be required for OPM to fully carry out its mobility program responsibilities. We believe that Congress and the Administration may want to consider this as part of the following broader questions:

- What overall purpose is the mobility program to serve?
- What staffing priority should this program be given in OPM to meet the act's objectives?
- How aggressive should OPM be in its oversight of agencies' compliance with the law and regulations?

MATTERS FOR CONGRESSIONAL CONSIDERATION

While federal agencies are using the mobility program in accordance with the act and find their current use of mobility assignments beneficial, the main use of the program today differs substantially from the basic purpose set forth in the 1970 act. Given this reality and the fact that other programs authorized under the act have been discontinued, Congress may want to reassess and clarify the primary purpose of the mobility program. Specifically, should the primary purpose of the program be to improve personnel capabilities of state and local governments or to help federal agencies by bringing in personnel from colleges and universities?

Because of the widespread use of mobility assignments among federal agencies and the importance agencies give to the program, Congress may also want to require OPM to report periodically on issues like program costs and benefits, legislative or regulatory requirement compliance, and program results.

RECOMMENDATIONS

We believe that OPM should strengthen its current oversight of the mobility program. To ensure effective use of the resources OPM has already committed to the mobility program, we recommend the following actions:

- The Director should implement a system to control the receipt of assignment agreements, agency evaluation reports, and other information necessary to effectively review federal agencies' use of the mobility program. OPM should use this information to direct agencies to make timely corrections of any improper agreements, as provided in current regulations.

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-- The Director should specify the circumstances in which nonfederal employees on detail to federal agencies should file financial disclosure reports.

AGENCY VIEWS

As requested by the Subcommittee, we did not obtain written comments on this report from the agencies. We did discuss the information in the report with OPM officials responsible for the mobility program and made corrections where appropriate. The OPM officials agreed with the recommendations in the report. They did not indicate, however, how or when they would change their current practices in response to our recommendations for using information from assignment agreements or for pursuing questionable assignments. They disagreed with our interpretation of the congressional intent of the mobility program. They did not believe that Title IV (the mobility program) of the act limits the use of the program to improving state and local government personnel systems. We agree that Title IV does not limit the program to this purpose but believe that Congress intended that to be the predominate purpose.

We also discussed the information obtained with officials of the eight other agencies identified in this letter. These officials said that the information describing their organizations' use of and benefit from the mobility program is accurate. These officials generally agreed that they use the program primarily to obtain expertise from colleges and universities. Army and Navy officials believed that state and local governments also benefited from the experience and knowledge gained by assigning personnel to federal agencies, even though the federal government generally incurs all assignment costs.

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We are sending copies of this report to the Director of OPM and to others who may have an interest.

B-233619

If you or members of your staff have any questions, please call me at 275-5074. Other major contributors to this report are listed in appendix VII.

Sincerely yours,

Bernard L. Ungar

Bernard L. Ungar
Director, Federal Human Resource
Management Issues

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ABBREVIATIONS

AID	Agency for International Development
CPSC	Consumer Product Safety Commission
CSRA	Civil Service Reform Act
DOT	Department of Transportation
EPA	Environmental Protection Agency
FHLBB	Federal Home Loan Bank Board
FPM	Federal Personnel Manual
FTC	Federal Trade Commission
GSA	General Services Administration
HHS	Department of Health and Human Services
HUD	Housing and Urban Development
IPA	Intergovernmental Personnel Act
NASA	National Aeronautics and Space Administration
NEH	National Endowment for the Humanities
NIH	National Institutes of Health
NLRB	National Labor Relations Board
NRC	Nuclear Regulatory Commission
NSF	National Science Foundation
OMB	Office of Management and Budget
OPM	Office of Personnel Management

PME	Personnel Management Evaluation
SBA	Small Business Administration
SES	Senior Executive Service
ACDA	United States Arms Control and Disarmament Agency
USDA	United States Department of Agriculture
USIA	United States Information Agency
USPS	United States Postal Service
VA	Department of Veterans Affairs

GAO **IPA MOBILITY PROGRAM:
HISTORY**

**Intergovernmental Purpose
of Act Has Not Changed**

IPA Program Has Changed

- Grants and Other Assistance Programs Eliminated
 - OPM Component Abolished
 - State and Local Government Participation Reduced
-

THE HISTORY OF THE IPA MOBILITY PROGRAM

The mobility program, which was authorized by the Intergovernmental Personnel Act of 1970, was intended to broadly reinforce the "federal system" by strengthening personnel resources at the state and local levels.¹ The act's legislative history indicates that in 1969, increasing population and urbanization of the United States posed tremendous problems to government at all levels. These problems included inadequate housing, crime and juvenile delinquency, racial tensions, and unemployment.² The major burden of providing public services to cope with these problems rested with state and local governments. These governments, however, were believed to lack the necessary financial capabilities and qualified staff to address these problems.

Specifically, IPA was intended to

- strengthen the personnel resources of state and local governments;
- improve intergovernmental cooperation in the administration of grants;
- provide grants for improvement of state and local government administration;
- authorize federal assistance, including grants, for training state and local employees;
- authorize interstate compacts for personnel and training activities; and
- facilitate the temporary assignment of personnel between the federal government and state and local governments.³

¹Public Law 91-648, Jan. 5, 1971, 84 Stat. 1909, as amended.

²H.R. Rep. No. 1733, 91st Cong., 2d Sess., Dec. 14, 1970, and S. Rep. No. 489, 91st Cong., 1st Sess., Oct. 21, 1969.

³There is another program, separately authorized by Public Law 99-424, Sept. 30, 1986, 100 Stat. 964, which provides for the exchange of executives between federal agencies and private sector companies and is discussed in our report entitled Federal Workforce: Implementation of the Executive Exchange Program (GAO/GGD-89-62, Mar. 31, 1989).

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The act established various policies and programs designed to achieve this broad purpose. Title IV of the act, as amended, authorizes federal agency heads to approve the temporary assignment of personnel from federal agencies to eligible nonfederal organizations and vice versa.⁴ As amended, the act permits participation by nonfederal organizations, including state and local governments, institutions of higher education,⁵ Indian tribes and tribal organizations, and other organizations approved by OPM.

STATUTORY CHANGES

Since IPA was enacted in 1971, it has been amended several times. Two amendments affected who may participate in the program. In 1975, the Indian Self-Determination and Education Assistance Act⁶ amended IPA to make Indian tribal organizations eligible to participate in the mobility program. It also exempted federal employees on assignment to Indian tribal organizations from conflict-of-interest provisions concerning representational activities, provided they meet notification requirements as outlined in OPM's Federal Personnel Manual (FPM). The second amendment, passed as part of the Civil Service Reform Act (CSRA) of 1978,⁷ extended participation in the mobility program to all federal agencies, rather than just executive agencies, and to certain not-for-profit organizations, subject to approval by OPM. The amendment also excluded employees occupying positions excepted from the competitive service by reason of their confidential, policy-determining, policy-making, or policy advocating character. Another amendment under the CSRA allows federal agencies to require that state and local governments, as a condition of participation in certain federal grant programs, establish personnel administration systems, consistent with OPM's merit system principles.

⁴Regulations implementing Title IV of the IPA of 1970 can be found in part 334, title 5, C.F.R., 1988 and additional guidance can be found in chapter 334, OPM's Federal Personnel Manual, Inst. 310, Dec. 1, 1983.

⁵Institutions of higher education include colleges, universities, technical schools, and junior colleges. Throughout this report, references to "colleges and universities" include all of the above categories.

⁶Public Law 93-638, Jan. 4, 1975, 88 Stat. 2203, 2208.

⁷Public Law 95-454, Oct. 13, 1978, 92 Stat. 1111, 1188, 1190.

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In addition, Congress passed an amendment affecting the length of assignments to Indian tribal organizations. Public Law 98-146, passed in 1983,⁸ waived the prior 48-month limit on federal employee assignments with Indian tribal organizations. The amendment authorized executive agency heads to extend such assignments for any period of time, as long as it was determined that the assignments continued to benefit both the executive agency and the Indian tribal organization.

Congress eventually passed an amendment that affected all of OPM. The Congressional Reports Elimination Act of 1980 eliminated the OPM annual report to Congress.⁹ Until this report was eliminated, OPM reported to Congress on the mobility program. Thus, there currently is no requirement for OPM to report to Congress on the use and operation of the mobility program.

PROGRAMMATIC AND BUDGETARY CHANGES

OPM officials said that the only parts of the original act that are active today are the mobility program and the merit systems technical assistance program. OPM has one staff member assigned to the merit systems technical assistance program who answers inquiries from state and local governments about federal merit system standards.

Congress rescinded funding for the Intergovernmental Personnel Act Grant program in June 1981. Funding for the remainder of fiscal year 1981 was rescinded by the Supplemental Appropriations and Rescission Act of 1981.¹⁰ In fiscal year 1980, OPM budgeted \$20 million for IPA related grants, training, and other assistance for state and local governments. The Senate report¹¹ on the Rescission Act says that the elimination of this program was warranted because "personnel activities and improvements in the area of merit staffing, training compensation, and labor relations are the direct responsibility of state and local governments and should be funded by them." The report says that "this particular program was originally designed to be a

⁸Public Law 98-146, Nov. 4, 1983, 97 Stat. 946.

⁹Public Law 96-470, Oct. 19, 1980, 94 Stat. 2237, 2241.

¹⁰Public Law 97-12, Supplemental and Rescission Act, 1981 (June 5, 1981), 95 Stat. 14, 75.

¹¹S. Report No. 67, 97th Cong., 1st Sess. 366 (1981).

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demonstration program to provide seed money for the States and localities." The report goes on to say that "the 10-year demonstration period, now completed, is more than adequate and . . . it is now appropriate to eliminate direct federal involvement." At that time, it was not indicated what overall purpose the remaining part of the act, the mobility program, was to serve after eliminating the direct involvement with state and local governments.

OPM's Office of Intergovernmental Personnel programs was abolished in November 1981 when the related grant program was eliminated. In 1980, 178 full-time positions were allocated to this program. When the office was abolished in fiscal year 1981, 99 full-time positions were allocated to it.

Under the mobility program, unlike the other IPA programs, mobility assignments are funded by participating agencies rather than through OPM and, as a result, were unaffected by the 1981 Rescission Act. OPM said that it continued oversight functions of the mobility program by assigning five full-time staff for this purpose in fiscal year 1978, four in 1982, and two in 1987. Through March 1989, OPM continued to assign two full-time staff, located in its Staffing Operations Division, to oversee the mobility program governmentwide.

CHANGES IN MOBILITY PROGRAM USE

While the level of participation in the mobility program has been erratic, the number of agreements increased each fiscal year between 1971 and 1976 and remained relatively constant until about fiscal year 1980, when it peaked. Participation in the mobility program dropped by about one-half by 1982, from 1,298 agreements in fiscal year 1980 to 583 assignments in fiscal year 1982. The number did not increase appreciably again until fiscal year 1985/1986, as shown in figure 1.1.

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Figure I.1:
Historical Trends of Mobility Program Assignments



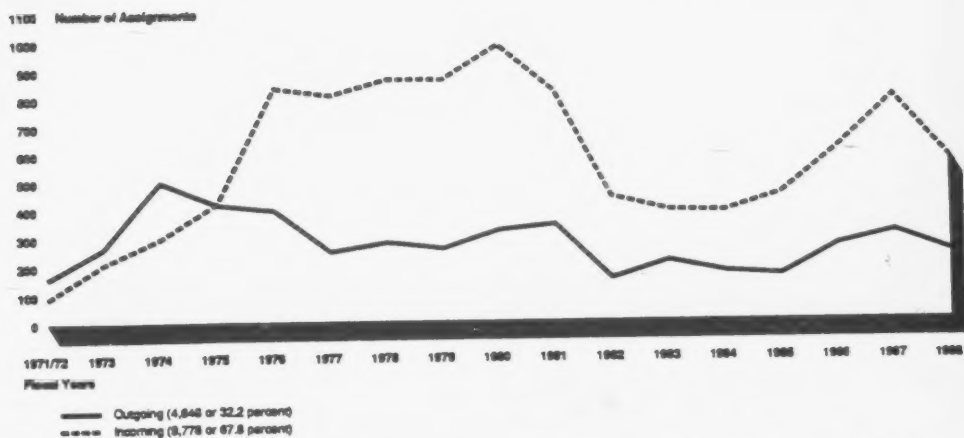
Note: Data for fiscal year 1971/1972 included assignments initiated from passage of IPA (Public Law 91-648) on January 5, 1971, through September 30, 1972.

During fiscal years 1971 to 1975, federal agencies used the program primarily to send personnel out to nonfederal organizations, rather than to bring personnel into the federal government. In fiscal year 1975, the ratio between incoming and outgoing reversed and that reversal has continued through fiscal year 1988, as shown in figure I.2.

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Figure I.2:
Historical Trends of Mobility Program Assignments to
and From Federal Agencies, Fiscal Years 1971 to 1988



Note: This figure includes data on 14,426 assignments initiated in fiscal years 1971 to 1988. We could not determine the direction of 58 assignments initiated in fiscal years 1984 to 1988 from agency-completed questionnaires.

Also, through fiscal year 1975, state and local governments were the most frequent nonfederal participants, representing about 61 percent (1,429 of 2,335) of assignment agreements initiated during fiscal years 1971 to 1975. Colleges and universities represented a smaller proportion, about 38 percent (888), of the agreements during the period. From fiscal years 1976 to 1981, the program's most active phase, the proportion of agreements with state and local governments decreased to about 34 percent of the 6,973 IPA assignments initiated. Conversely, the proportion of agreements with colleges and universities increased to about 60 percent in fiscal years 1976 to 1981.

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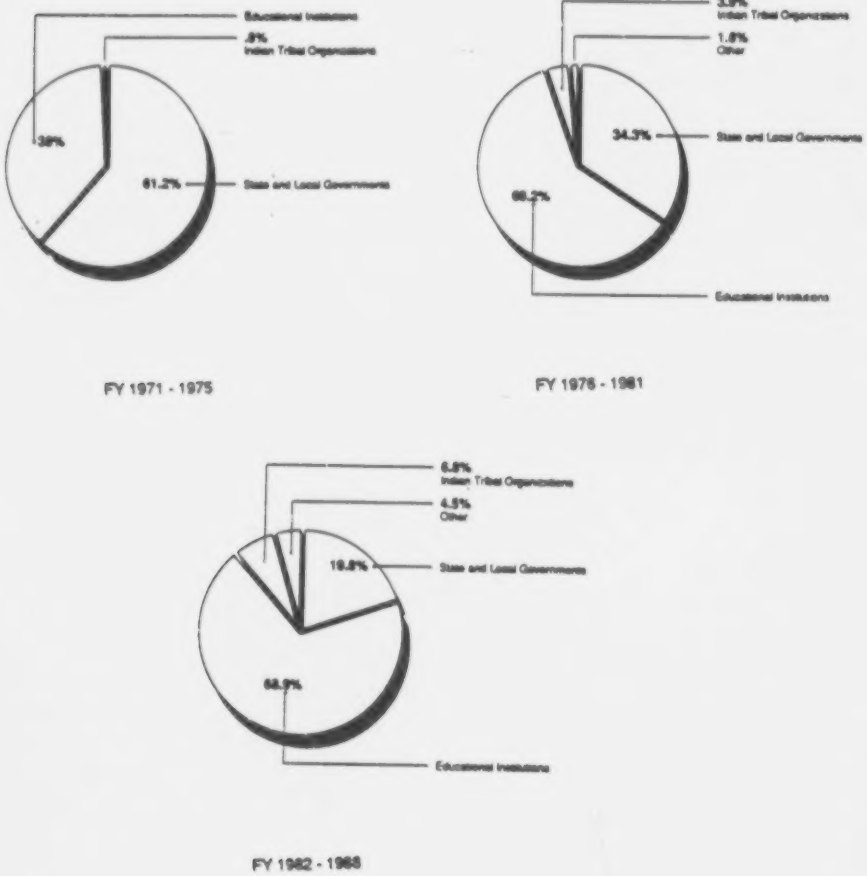
This trend toward reduced use of the program by state and local governments continued during fiscal years 1982 to 1988. During this period, about 20 percent (or 1,016) of 5,118 agreements¹² involved state and local governments. Sixty-nine percent of the agreements were with colleges and universities and about 11 percent were with Indian tribal organizations and various other organizations. Figure I.3 provides a breakout of participation by type of nonfederal organizations.

¹²This does not include 58 assignments made during fiscal years 1984 to 1988 for which the nonfederal organization involved could not be determined from agency-completed questionnaires.

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Figure I.3:
Participation in Mobility Program Assignments by
Nonfederal Organizations, Fiscal Years 1971 to 1988



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While the act provides for the assignment of employees to and from institutions of higher education, there is very little mention of educational institutions in the legislative history. The only reference to institutions of higher education was in hearings held before the House Education and Labor Special Subcommittee on Education on November 17, 18, and 20, 1969. The hearings record shows that before the act's enactment, employee exchanges occurred between federal agencies and colleges and universities for temporary periods. At that time, however, employees had little protection as to pay, tenure, and reemployment rights if the leave of absence granted exceeded 1 year. In order to preclude the loss of employee benefits and reemployment rights, the assignment of employees between the federal government and institutions of higher education was included in the act.

The pattern of agreements since fiscal year 1981 indicates that mobility assignments are used to support the missions of federal agencies that often do not have primarily intergovernmental missions and programs. For example, the Departments of Agriculture (USDA), Housing and Urban Development (HUD), and Labor were among the top five federal users of mobility assignments during fiscal years 1971 to 1975. The Director of the Office of Intergovernmental Programs in OPM from 1978 to 1980 said that under their own legislative authorities, these departments administered comparatively large grants-in-aid programs affecting state and local governments and disseminated funds widely within the intergovernmental system. During fiscal years 1984 to 1988, these three agencies dropped to 9th, 21st, and 14th, respectively, in their use of mobility assignments. In comparison to the above three federal departments, three of the top five users of mobility assignments during fiscal years 1984 to 1988 (the Army, the Navy, and VA) have limited roles in the federal system for providing financial and technical assistance directly to states and local governments.

It should be noted that the Army's agreements were sometimes made by its Corps of Engineers and involved water resource projects. Army officials said that the agreements are beneficial not only to the Army but also to state and local governments. As discussed in appendix IV, however, in all 10 Army agreements that we randomly selected for review, the Army received personnel from colleges and universities. In 9 of the 10 agreements, the Army assumed responsibility for 100 percent of the assignment costs. Thus, the data suggest that the Army, rather than state and local governments, was the principal beneficiary.

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As mentioned earlier, the act authorizes the use of the mobility program by federal agencies to support their missions and permits the assignment of employees to and from institutions of higher education. However, both the provisions of the act and its legislative history indicate that the primary focus of the IPA was to strengthen state and local governments' personnel resources and intergovernmental cooperation.

GAO IPA MOBILITY PROGRAM:
NATURE AND EXTENT OF USE

**About 4,000 Agreements Made
by 36 Agencies Over 5 Years**

- Five Agencies Account for 65% of Total Agreements
 - 68% of Agreements With Colleges and Universities
 - 82% for 2 Years or Less
 - 96% of Personnel "On Detail"
-

APPENDIX II

APPENDIX II

THE NATURE AND EXTENT OF FEDERAL AND
NONFEDERAL PARTICIPATION

FEDERAL PARTICIPATION

Thirty-six federal agencies said that they made a total of 3,996 assignment agreements with nonfederal organizations during fiscal years 1984 through 1988. During this period, HHS, VA, the Army, the Navy, and EPA were the top five agency users of the mobility program, accounting for about 65 percent of the total agreements reported. HHS, with 756 agreements, led all other federal agencies, followed by VA with 744, the Army with 478, EPA with 327, and the Navy with 272 agreements.

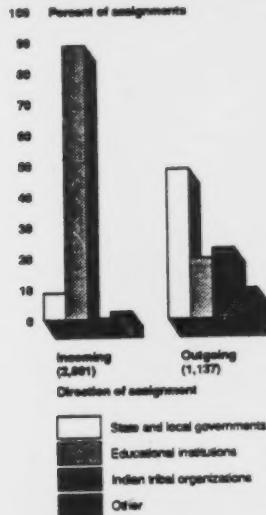
NONFEDERAL PARTICIPATION

The act authorizes state and local governments, institutions of higher education, Indian tribes and tribal organizations, and other organizations to participate in mobility assignments. An OPM official said that as of January 1989, OPM approved 354 other organizations as eligible to participate in the mobility program. These organizations included groups that have intergovernmental interests, such as the National Governor's Association and the National League of Cities, as well as such organizations as the American Association for Higher Education, the National Academy of Sciences, and the World Wildlife Fund.

During fiscal years 1984 to 1988, about 68 percent (2,697) of the 3,938 agreements¹ were made between federal agencies and colleges and universities. State and local governments, Indian tribal organizations, and other organizations accounted for 789 (about 20 percent), 272 (about 7 percent), and 180 (about 5 percent) of the 3,938 agreements, respectively. As indicated in figure II.1, colleges and universities provided about 88 percent of the personnel brought into federal agencies.

¹Agency-completed questionnaires did not indicate the nonfederal organizations involved in 58 of the 3,996 agreements made during fiscal years 1984 to 1988.

Figure II.1:
Incoming and Outgoing Mobility Program
Assignments by Type of Nonfederal Organization,
Fiscal Years 1984 to 1988 Combined



Note: This figure includes data on 3,938 of 3,996 assignments for which we could determine the direction of the assignment from agency-completed questionnaires.

LENGTH OF ASSIGNMENTS

The act provides that mobility program assignments may last up to 2 years and, with approval of the agency head, may be extended 2 more years. About 83 percent of 3,345 mobility assignments were scheduled to last for 2 years or less, while 14 percent were to last between 2 and 4 years. (We were unable to determine from agency-completed questionnaires the length of assignment by nonfederal organization for 651 assignments.) Most of the agreements with state and local governments (84 percent) and with colleges and universities (86 percent) were for 2 years or less. Agreements with Indian tribal organizations, which are exempt from the 4-year maximum time limitation, were of longer duration and 79 (32 percent) were to last more than 4 years (or 48 months), as shown in table II.1.

Table II.1

Duration of Assignments by Nonfederal Organization,
Fiscal Years 1984 to 1988 Combined

	Number of months						Total
	24 or less		25 to 48		Greater than 48		
	Number	Percent	Number	Percent	Number	Percent	
State/local governments	545	84	90	14	12	2	647
Educational institutions	2,004	86	300	13	15	1	2,319
Indian tribal organizations	116	48	49	20	79	32	244
Other	102	76	32	24	1	a	135
Total	2,767	83	471	14	107	3	3,345 ^b

^aLess than 1 percent.

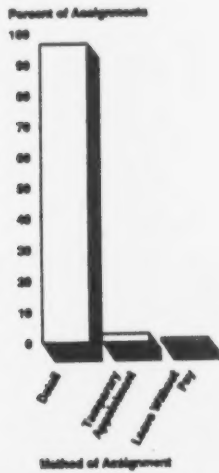
^bWe could not determine the length of assignment for 651 agreements on the basis of data from agency-completed questionnaires.

METHODS OF ASSIGNING PERSONNEL

Under the OPM guidelines for the mobility program, federal agencies and nonfederal organizations may agree to assign (1) federal personnel on detail or leave-without-pay and (2) nonfederal personnel on detail or temporary appointment. Federal employees on detail retain their civil service status, benefits, and other rights and entitlements and do not count against the sending federal agency's personnel ceiling if the nonfederal organization agrees to pay 50 percent or more of the federal employee's salary during the mobility assignment. Nonfederal employees on detail to federal agencies are not counted against the federal agency's authorized personnel ceiling regardless of the cost-sharing arrangement.

As shown in figure II.2, assignment agreement data we gathered indicated that about 96 percent of the federal and nonfederal employees assigned to the mobility program were on detail. The remaining 4 percent received temporary appointments or were in leave-without-pay status while in the program.

Figure II.2:

Method of Assigning Personnel, Fiscal Years 1984 to 1988 Combined

Note: Only 3,551 of the 3,906 assignments are represented in this figure. We could not determine the method of assignment from agency-completed questionnaires for the remaining 315 assignments (8 percent).

Additional information on the various federal agencies' participation for fiscal years 1984 to 1988 is presented in tables II.2 through II.5.

APPENDIX II

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Table II.2:

Mobility Agreements By Federal Agency,
Fiscal Years 1984 to 1988

Federal agency	Total ^a		FY 1988 ^a		FY 1987 ^a		FY 1986 ^a		FY 1985 ^a		FY 1984 ^a	
	Num- ber	Per- cent	Num- ber	Per- cent	Num- ber	Per- cent	Num- ber	Per- cent	Num- ber	Per- cent	Num- ber	Per- cent
HHS	756	19	101	12	245	22	216	24	97	16	97	17
VA	744	19	200	24	290	26	156	18	65	11	33	6
Army	478	12	107	13	142	13	141	16	41	7	47	8
EPA	327	8	103	13	58	5	54	6	73	12	39	7
Navy	272	7	32	4	98	9	55	6	40	6	47	8
Interior	223	6	43	5	53	5	46	5	48	8	33	6
NSF	158	4	44	5	42	4	33	4	30	5	9	2
Commerce	139	3	22	3	22	2	25	3	30	5	40	7
USDA	105	3	21	3	24	2	20	2	28	5	12	2
Treasury	97	2	18	2	8	1	15	2	21	3	35	6
Air Force	87	2	17	2	16	1	33	4	17	3	4	1
Defense	78	2	13	2	17	2	21	2	16	3	11	2
NASA	69	2	11	1	7	1	11	1	17	3	23	4
Labor	65	2	16	2	20	2	4	0	10	2	15	3
Justice	58	1	11	1	8	1	6	1	15	2	18	3
AID	55	1	11	1	11	1	11	1	3	0	19	3
NEH	53	1	6	1	12	1	6	1	10	2	19	3
Education	41	1	10	1	8	1	12	1	7	1	4	1
DOT	36	1	4	0	5	0	5	1	12	2	10	2
Energy	21	1	5	1	7	1	2	0	3	0	4	1
HUD	20	1	2	0	2	0	2	0	9	1	5	1
USIA	19	0	1	0	1	0	2	0	8	1	7	1
ACDA	15	0	3	0	2	0	0	0	3	0	7	1
State	14	0	4	0	6	1	1	0	1	0	2	0
OMB	10	0	1	0	5	0	0	0	2	0	2	0
Other ^b	56	1	11	1	11	1	7	1	11	2	16	3
Total	3,996	100	817	100	1,120	100	884	100	617	100	558	100

^aPercentages of less than 1 are represented by 0. Percent columns may not add to 100 percent due to rounding.

^bOther includes all agencies that initiated fewer than 10 agreements during fiscal years 1984 to 1988, including Action, CPSC, FHLBB, FTC, GAO, GSA, NLRB, NRC, OPM, SBA, and USPS.

APPENDIX II

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Table II.3:

Mobility Agreements by Federal Agency and Type of
Nonfederal Organization, Fiscal Years 1984 to 1988 Combined

Federal agency	Total		State and Local		Education		Indian tribal		Other	
	Num- ber		Num- ber	Per- cent ^a	Num- ber	Per- cent ^a	Num- ber	Per- cent ^a	Num- ber	Per- cent ^a
HHS	752		198	26	302	40	240	32	12	2
VA	736		4	1	706	96	0	0	26	4
Army	474		13	3	458	97	1	0	2	0
EPA	319		231	72	63	20	0	0	25	8
Navy	271		2	1	265	98	1	0	3	1
Interior	218		63	29	122	56	23	11	10	5
NSF	156		1	1	149	96	0	0	6	4
Commerce	139		15	11	110	79	1	1	13	9
USDA	103		45	44	56	54	0	0	2	2
Treasury	97		47	48	48	49	1	1	1	1
Air Force	86		6	7	80	93	0	0	0	0
Defense	65		1	2	51	78	1	2	12	18
NASA	64		7	11	54	84	0	0	3	5
Labor	65		30	46	5	8	3	5	27	42
Justice	58		51	88	7	12	0	0	0	0
AID	54		0	0	51	94	0	0	3	6
NEH	53		9	17	43	81	0	0	1	2
Education	39		14	36	15	38	0	0	10	26
DOT	36		25	69	7	19	0	0	4	11
Energy	21		3	14	17	81	1	5	0	0
HUD	20		8	40	8	40	0	0	4	20
USIA	19		0	0	17	89	0	0	2	11
ACDA	15		0	0	15	100	0	0	0	0
State	13		0	0	9	69	0	0	4	31
OMB	10		0	0	10	100	0	0	0	0
Other ^b	<u>55</u>		<u>16</u>	29	<u>29</u>	53	<u>0</u>	0	<u>10</u>	18
Total	<u>3,938^c</u>		<u>789</u>	20	<u>2,697</u>	68	<u>272</u>	7	<u>180</u>	5

^aSee footnote "b" in table II.2.

^bSee footnote "a" in table II.2.

^cExcludes 58 assignments for which the nonfederal organization involved could not be determined from agency-completed questionnaires.

Table II.4:

Incoming and Outgoing Mobility Agreements
by Federal Agency, Fiscal Years 1984 to 1988 Combined

Federal agency	Incoming		Outgoing		Total number
	Number	Percent	Number	Percent	
HHS	314	42	438	58	752
VA	725	99	11	1	736
Army	469	99	5	1	474
EPA	58	18	261	82	319
Navy	263	97	8	3	271
Interior	149	68	69	32	218
NSF	144	92	12	8	156
Commerce	101	73	38	27	139
USDA	50	49	53	51	103
Treasury	46	47	51	53	97
Air Force	83	97	3	3	86
Defense	60	92	5	8	65
NASA	44	69	20	31	64
Labor	23	35	42	65	65
Justice	48	83	10	17	58
AID	49	91	5	9	54
NEH	51	96	2	4	53
Education	9	23	30	77	39
DOT	25	69	11	31	36
Energy	16	76	5	24	21
HUD	6	30	14	70	20
USIA	17	89	2	11	19
ACDA	15	100	0	0	15
State	6	46	7	54	13
OMB	10	100	0	0	10
Other ^a	<u>20</u>	36	<u>35</u>	64	<u>55</u>
Total	<u>2,801</u>	71	<u>1,137</u>	29	<u>3,938^b</u>

^aSee footnote "a" in table II.2.

^bExcludes 58 agreements for which the direction of the assignment (i.e., incoming versus outgoing) could not be determined from agency-completed questionnaires.

APPENDIX II

APPENDIX II

Table II.5:
Duration of Mobility Agreements by Federal
Fiscal Years 1984 to 1988 Combined

Federal Agency	Number of Months						Total
	24 or less		25 to 48		More than 48		
	Num-ber	Per-cent ^a	Num-ber	Per-cent ^a	Num-ber	Per-cent ^a	
HHS	536	78	75	11	79	11	690
VA	540	84	99	15	4	1	643
Army	397	91	35	8	2	0	434
EPA	154	67	64	28	11	5	229
Navy	214	87	30	12	1	0	245
Interior	145	81	30	17	3	2	178
NSF	100	84	18	15	1	1	119
Commerce	108	88	13	11	2	2	123
USDA	56	74	20	26	0	0	76
Treasury	83	93	6	7	0	0	89
Air Force	61	82	13	18	0	0	74
Defense	46	69	20	30	1	1	67
NASA	59	98	1	2	0	0	60
Labor	37	82	8	18	0	0	45
Justice	38	79	9	19	1	2	48
AID	22	50	22	50	0	0	44
NEH	41	91	4	9	0	0	45
Education	27	93	2	7	0	0	29
DOT	33	97	1	3	0	0	34
Energy	10	67	4	27	1	7	15
HUD	16	100	0	0	0	0	16
USIA	14	78	4	22	0	0	18
ACDA	9	69	4	31	0	0	13
State	8	80	2	20	0	0	10
OMB	8	89	1	11	0	0	9
Other ^b	42	89	4	9	1	2	47
Total	2,804	82	489	14	107 ^c	3	3,400 ^d

^aSee footnote "b" in Table II.2.

^bSee footnote "a" in Table II.2.

^cThese 107 agreements are discussed in appendix V. Of the 107 agreements, 79 were made between Indian tribal organizations and HHS (78) or Interior (1). The act, as amended by Public Law 98-146, allows such agreements to be extended for any period of time.

^dExcludes 596 agreements for which the duration could not be determined from agency-completed questionnaires.

GAO **IPA MOBILITY PROGRAM:
ASSIGNMENT COST**

**Overall Cost of Mobility
Program Is Unknown**

- Assignment Cost for
188 Agreements Totaled
\$14.6 Million
 - Federal Agencies Paid From
51 to 100 Percent of Total
 - Salaries and Fringe Benefits
Were 95 Percent of Total
-

MOBILITY ASSIGNMENTS COSTS AND HOW THEY HAVE BEEN
SHARED BY FEDERAL AND NONFEDERAL ORGANIZATIONS

MOBILITY ASSIGNMENT COSTS

OPM guidelines for the mobility program allow federal agencies to assume all, some, or none of the costs of mobility assignments for employees coming into and going from the federal agencies. They permit federal agencies to pay or reimburse the nonfederal organization, without limit, for the salaries (including supplemental pay, such as lost consulting fees) and fringe benefits of nonfederal employees assigned to the agencies. Under the OPM guidelines, agencies may also agree to absorb the actual travel and relocation expenses of assignees but may not agree to be responsible for the nonfederal organizations' administrative costs.

OPM did not maintain overall cost data on the mobility program. Assignment agreements, however, show the nature and extent of the costs expected to be incurred and the agreed allocation between federal and nonfederal organizations. Therefore, we reviewed cost data on 188 agreements from three agencies (NSF, NEH, and NIH) active during some or all of the period October 1985 through May 1987.

According to the agreements, the total cost of the 188 assignments was about \$14.6 million, about \$13.8 million (95 percent) of which was for salaries and fringe benefits. Travel, per diem, and relocation costs totaling about \$719,000 accounted for the remaining 5 percent. The average assignment cost for the three agencies was about \$91,700 for NSF, \$63,800 for NIH, and \$51,800 for NEH. Salary costs averaged about \$72,800 for 104 agreements at NSF,¹ \$52,000 for 57 assignments at NIH, and \$38,600 for 26 assignments at NEH.

We estimated the annual salary cost (federal and nonfederal) for the 188 assignments on the basis of salary rates shown in the assignment agreements projected for a full year. On this basis, the annual salaries of the participants ranged from a low of about \$22,000 to a high of \$122,600, both at NSF.

Of the 188 agreements, 9 provided for sending employees, all from NSF, out to nonfederal organizations, at an average

¹One of the 105 agreements for NSF did not show any salary cost information. The agreement only covered travel costs.

APPENDIX III

APPENDIX III

annualized salary cost of about \$61,500. In contrast, 178 agreements provided for bringing nonfederal employees into the agencies, at an annualized salary cost that averaged about \$38,800 for NEH, \$48,900 for NIH, and \$64,500 for NSF. One incoming agreement from NSF did not have salary cost information.

At the Subcommittee's request, we also compared the federal share of the annualized compensation shown in the 188 agreements with the top Senior Executive Service (SES) salary. For 14 (7 percent) of the 188 assignments, NSF paid the participants directly or reimbursed the nonfederal organizations for salaries exceeding the \$77,500 upper limit on SES salaries established January 3, 1987.² Later, in fiscal years 1988 and 1989 appropriation acts, Congress limited NSF's payments for salaries under such assignments. The 1988 appropriation act limited the salaries to the top level of the SES schedule (\$80,700 as of January 1, 1989).³ The 1989 appropriation act added a provision to limit the salaries to \$95,000 for positions funded by a grant or grants.⁴

COST SHARING

OPM guidelines permit salaries and other direct assignment costs to be shared by the participating organizations or to be borne entirely by either. However, they state that cost sharing generally should be consistent with the relative benefits each organization expects to accrue and that the receiving organization is usually the principal beneficiary of the assignment.

The three federal agencies agreed to pay about \$12 million, or about 83 percent, of the total costs of the 188 assignments. The share of the total costs to be borne by the three federal agencies was about 51 percent for NIH, 92 percent for NSF, and 100 percent at NEH.

²Additional information on salaries paid by NSF to mobility program participants can be found in our report entitled Federal Workforce: Recruitment and Retention of Senior Executives at the National Science Foundation (GAO/GGD-87-87FS, June 4, 1987).

³Public Law 100-202, Dec. 22, 1987, 101 Stat. 1329, 1329-204.

⁴Public Law 100-404, Aug. 19, 1988, 102 Stat. 1014-1029.

APPENDIX III

APPENDIX III

Table III.1 summarizes the cost data we gathered on the 188 agreements, including the federal and nonfederal shares.

Table III.1:

Cost Data for 188 Assignments Active Between
October 1, 1985, and May 31, 1987, in Three Agencies

	Costs (Dollars expressed in thousands)						
	Total ^a	NSF		NIH		NEH	
Salary ^b							
Federal	\$ 9,546	\$7,029	93%	\$1,514	51%	\$1,003	100%
Nonfederal	1,986	538	7	1,448	49	0	0
Total	<u>11,532</u>	<u>7,567</u>	<u>100</u>	<u>2,962</u>	<u>100</u>	<u>1,003</u>	<u>100</u>
Fringe benefits ^b							
Federal	1,841	1,364	90	284	47	193	99
Nonfederal	470	153	10	316	53	1	1
Total	<u>2,311</u>	<u>1,517</u>	<u>100</u>	<u>600</u>	<u>100</u>	<u>194</u>	<u>100</u>
Travel/per diem							
Federal	593	444	95	340	63	149	100
Nonfederal	25	25	5	200	37	0	0
Total	<u>618</u>	<u>469</u>	<u>100</u>	<u>540</u>	<u>100</u>	<u>149</u>	<u>100</u>
Relocation							
Federal	90	19	73	71	95	0	0
Nonfederal	11	7	27	4	5	0	0
Total	<u>101</u>	<u>26</u>	<u>100</u>	<u>75</u>	<u>100</u>	<u>0</u>	<u>0</u>
Total							
Federal	12,070	8,856	92	1,869	51	1,345	100
Nonfederal	2,493	723	8	1,768	49	1	--
Total	<u>\$14,563</u>	<u>\$9,579</u>	<u>100</u>	<u>\$1,637</u>	<u>100</u>	<u>\$1,346</u>	<u>100</u>

^aNot all agreements contained cost data in all of the categories shown. For example, 1 of the 105 NSF agreements contained no cost data except for travel expenses.

^bSome NSF agreements did not show separate salary and fringe benefit costs. We estimated salary and fringe benefit costs for these 9 assignments on the basis of the ratio of total salary to total cost for the other 96 NSF agreements.

GAO IPA MOBILITY PROGRAM:
ASSIGNMENT PURPOSES

**Assignments of Top Five
Agencies Served Wide
Range of Purposes**

- HHS
- VA
- Army
- EPA
- Navy

**Benefits and Costs Generally
Flow to Federal Agencies**

HOW FEDERAL AGENCIES HAVE USED MOBILITY ASSIGNMENTS

OPM guidelines give federal agencies broad discretion in deciding to assign personnel to a mobility assignment. Agencies may use mobility assignments to strengthen the management capabilities of the participating organizations, assist in the transfer and use of new technologies and approaches to solving governmental problems, involve state and local government officials in developing and implementing federal policies and programs, and provide experience to enhance the assignee's performance in his or her regular job. Assignments may be made for one or more of these purposes.

The act and OPM guidelines state that assignments are to be mutually beneficial to the participating organizations. OPM guidance provides for determining whether federal or nonfederal organizations will benefit the most from an assignment and thus which organization should bear most of the assignment cost. Specifically, federal agencies are to determine the primary purpose of an assignment and from this infer which organization will be the "principal beneficiary." The principal beneficiary is to bear most of the assignment cost, and the guidelines say that the borrowing organization is usually the principal beneficiary.

Information we gathered showed that the federal agencies have found mobility assignments to be beneficial for a wide range of purposes. We reviewed the purposes stated in 10 randomly selected assignment agreements made by each of the top five federal agency participants during fiscal years 1987 or 1988. On the basis of our review of the purposes indicated in the agreements and the cost-sharing ratios between the receiving federal or nonfederal organization, we determined that the federal government was the principal beneficiary of 37 of the 50 assignments. State and local governments and Indian tribal organizations were the principal beneficiaries of nine and four assignments, respectively.

Consistent with the benefits derived, the five federal organizations generally agreed to pay most or all of the costs associated with the assignments. The five agreed to pay 100 percent of the costs for 31 of the 50 assignments; 25 of the 31 assignments were made by VA, the Army, and the Navy. The federal share for the remaining 19 assignments averaged about 43 percent, and ranged from no federal share to 87 percent.

APPENDIX IV

APPENDIX IV

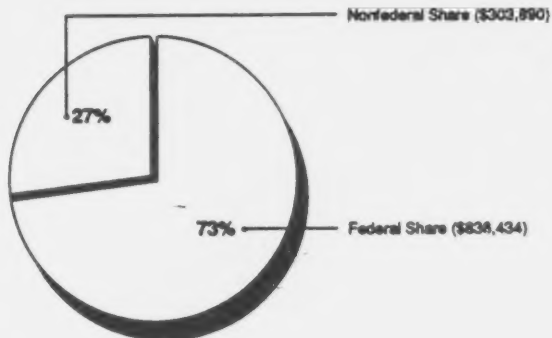
The following information profiles the top five federal agencies' use of mobility assignments, based on their evaluation reports to OPM, information obtained during our survey of participating agencies, and the 10 randomly selected assignment agreements we reviewed for each of the five agencies.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

In its evaluation report for fiscal year 1987,¹ HHS said that the mobility program had been "an excellent mechanism for temporarily assigning employees with particular experience and expertise to perform on specific program initiatives." It added that the "greatest benefit has been in the area of assisting in the transfer of new ideas and technology." Another benefit noted was the "impact on the effective delivery of public health services with the participating organizations."

HHS' 10 agreements averaged 27.6 months and ranged from 5 to 60 months in duration. The federal and nonfederal share of the total cost for the 10 agreements is indicated in figure IV.1.

Figure IV.1:
Federal and Nonfederal Cost Sharing for 10 HHS Agreements



¹As of March 1989, HHS had not submitted an evaluation report to OPM for fiscal year 1988.

APPENDIX IV

APPENDIX IV

Table IV.1 provides overall data on the type of nonfederal organization involved in HHS agreements made during fiscal years 1984 through 1988.

Table IV.1:

HHS Use of Mobility Agreements During
Fiscal Years 1984 Through 1988

<u>Type of nonfederal organization</u>	<u>Total</u>		<u>Incoming</u>		<u>Outgoing</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State/local government	198	100	16	8	182	92
Educational institution	302	100	292	97	10	3
Indian tribal organization	240	100	1	0	239	100
Other	<u>12</u>	100	<u>5</u>	42	<u>7</u>	58
Total	<u>752^a</u>	100	<u>314</u>	42	<u>438</u>	58

^aWe could not determine whether personnel were assigned to or from nonfederal organizations for four agreements on the basis of agency-completed questionnaires.

Table IV.2 summarizes data on the specific nonfederal organization, assignment purpose, total assignment cost and federal share, and principal beneficiary for each of 10 randomly selected agreements made by HHS that were active during fiscal years 1987 or 1988.

APPENDIX IV

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Table IV. 2.
Information on 10 Randomly Selected HHS Mobility Assignment Agreements Active in FY 1987-88

Nonfederal Organization ^a	Purpose	Length of assignment (Months)	Cost (Dollars) ^b	Federal share (Percent)	Principal beneficiary
<u>Incoming from:</u>					
San Diego State University	To provide expertise to support a nationwide computer-based system for surveillance of notifiable diseases and conditions	24	\$124,584	87%	HHS
University of Chicago	To direct and implement a research program on the molecular biology of herpes viruses related to AIDS	12	74,187	54	HHS
University of Puerto Rico	To participate in a special program designed to promote participation of minorities and women in research	5	25,423	60	HHS
Georgetown University	To participate in the development of a protocol for assessing cognitive functioning and temperamental qualities in monkey neonates and infants	7	36,804	50	HHS
George Washington University	To study biomedical applications of bifunctional molecules	9	44,660	49	HHS
<u>Outgoing to:</u>					
National Governors' Association	To provide assistance to states by preparing a Medicaid program workbook, conducting policy initiatives, and providing technical assistance	48	254,154	19	State
Bristol Bay Area Health Corp. ^b	To provide cooking services	60	201,940	100	Indian tribal organization
Southeast Alaska Regional Health Corp. ^b	To provide custodian services	30	121,355	100	Indian tribal organization
Southeast Alaska Regional Health Corp. ^b	To provide pipefitting services	57	219,019	100	Indian tribal organization
Sault St. Marie Chippewa Tribes	To provide radiologic technician services	24	38,198	100	Indian tribal organization

^aThe outgoing agreements to Indian tribal organizations were made under the IPA, as amended by Public Law 93-638 and 98-148. These agreements provide for the transfer of management responsibilities for Indian tribes or tribal organizations and allow these agreements to be extended for any period of time.

^bCosts can include salary; supplemental pay; fringe benefits; and travel, per diem, and relocation expenses, although not all of these are shown in the amount.

APPENDIX IV

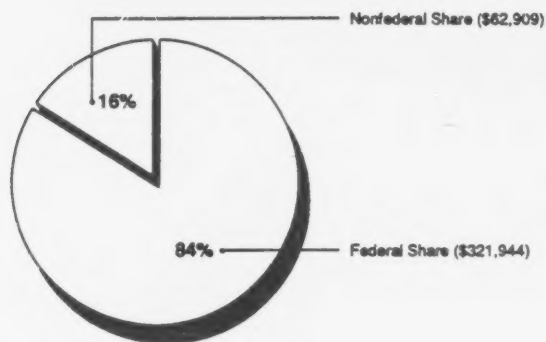
APPENDIX IV

DEPARTMENT OF
VETERANS AFFAIRS

VA's fiscal year 1987 evaluation report² pointed out that mobility assignments are used "to obtain the expert services of personnel not normally available through regular employment channels for limited periods of time." The report noted that "benefits from use of these assignments are widespread, and range from significant break-throughs in medical treatment to a more efficient method of recruiting personnel." The report added that "efficiency of operation is enhanced because fully qualified individuals are recruited, start-up time is reduced, and findings can be determined earlier."

VA's 10 agreements averaged 16.8 months and ranged from 3 to 48 months in duration. The federal and nonfederal share of the total cost for the 10 agreements is indicated in figure IV.2.

Figure IV.2:
Federal and Nonfederal Cost Sharing for 10 VA Agreements



²As of March 1989, VA had not submitted an evaluation report to OPM for fiscal year 1988.

APPENDIX IV

APPENDIX IV

Table IV.3 provides overall data on the type of nonfederal organization involved in VA agreements made during fiscal years 1984 through 1988.

Table IV.3:

VA Use of Mobility Agreements During
Fiscal Years 1984 Through 1988

<u>Type of nonfederal organization</u>	<u>Total</u>		<u>Incoming</u>		<u>Outgoing</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State/local government	4	100	4	100	0	0
Educational institution	706	100	695	98	11	2
Indian tribal organization	0	100	0	0	0	0
Other	<u>26</u>	100	<u>26</u>	100	<u>0</u>	0
Total	<u>736^a</u>	100	<u>725</u>	99	<u>11</u>	1

^aWe could not determine whether personnel were going to or from nonfederal organizations for eight agreements on the basis of agency-completed questionnaires.

Table IV.4 summarizes data on the specific nonfederal organization, assignment purpose, total assignment cost and federal share, and principal beneficiary for 10 randomly selected agreements made by VA that were active during fiscal years 1987 or 1988.

Table IV. 4:
Information on 10 Randomly Selected VA Mobility Assignment Agreements Active in FY 1987-88

Nonfederal organization ^a	Purpose	Length of assignment (Months)	Cost (Dollars) ^b	Federal share (Percent)	Principal beneficiary
<u>Incoming from:</u>					
University of Illinois	To serve as the principal investigator in designing a prototype wheelchair	14	\$19,675	100%	VA
Wright State University	To do research in applied physiology	25	78,971	100	VA
University of Washington	To establish a data coordinating center program dealing with amputees	9	41,588	41	VA
University of Washington	To design, develop, and produce original artwork for visual communication purposes	2 ^c	70,920	50	VA
Dartmouth Medical School	To oversee all aspects of a study dealing with the health status of patients with rheumatoid arthritis	4	11,576	100	VA
Dartmouth Medical School	To oversee research on whether military characteristics predispose some individuals to develop stress disorders	48	96,816	100	VA
University of New Mexico	To identify and recruit high-risk ambulatory patients for a study of the treatment of influenza and infections	8	17,718	100	VA
Medical College of Georgia	To direct and perform experimental surgical procedures	18	7,486	100	VA
Medical College of Wisconsin	To assist in the development of laboratory procedures	15	31,615	100	VA
University of Illinois	To delineate neurohumoral regulatory mechanisms of different laboratory animals	3	8,488	64	VA

^aThe random sample of cases did not include any outgoing assignments.

^bCosts can include salary; supplemental pay; fringe benefits; and travel, per diem, and relocation expenses, although not all assignment agreements contained all of these elements. Actual cost may differ from cost shown in the agreement.

APPENDIX IV

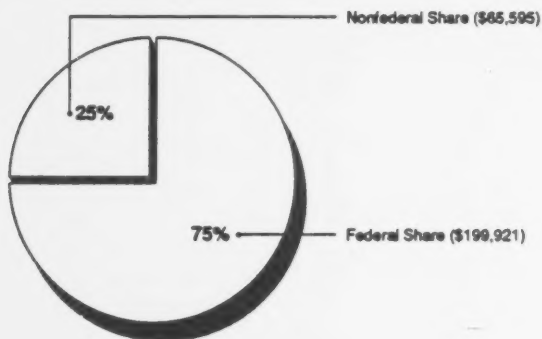
APPENDIX IV

DEPARTMENT OF THE ARMY

One of the Army's fiscal year 1988 evaluation reports³ said that one mobility assignment was used to establish an automated information network for a Corps of Engineers' district. The report said that the benefits included "an overall strategy for producing an integrated information system and provides a means of introducing all of the District to the benefits and capabilities of developing a well managed, fully integrated information system." Another report indicated that a mobility assignment was used to facilitate the screening and selection of software and hardware for a remote sensing capability and to provide early in-house training for a Corps of Engineers' district. The reported benefits included "a 12-month reduction in the time required to procure this expertise by normal contractual procedures and a reduction in administrative costs and overhead estimated at \$25,000 to \$35,000."

The Army's 10 agreements averaged 6.8 months and ranged from 1 to 24 months in duration. The federal and nonfederal share of the total cost for the 10 agreements is indicated in figure IV.3.

Figure IV.3:
Federal and Nonfederal Cost Sharing for 10 Army Agreements



³The Department of the Army submitted separate evaluation reports to OPM for certain organizational units that participated in the mobility program during fiscal year 1988.

APPENDIX IV

APPENDIX IV

Table IV.5 provides overall data on the type of nonfederal organization involved in Army agreements made during fiscal years 1984 through 1988.

Table IV.5:

Army Use of Mobility Agreements During
Fiscal Years 1984 Through 1988

<u>Type of nonfederal organization</u>	<u>Total</u>		<u>Incoming</u>		<u>Outgoing</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State/local government	13	100	13	100	0	0
Educational institution	458	100	453	99	5	1
Indian tribal organization	1	100	1	100	0	0
Other	<u>2</u>	100	<u>2</u>	100	<u>0</u>	0
Total	<u>474^a</u>	100	<u>469</u>	99	<u>5</u>	1

^aWe could not determine whether personnel were going to or from nonfederal organizations for four agreements on the basis of agency-completed questionnaires.

Table IV.6 summarizes data on the specific nonfederal organization, assignment purpose, total assignment cost and federal share, and principal beneficiary for 10 randomly selected agreements made by the Army that were active during fiscal years 1987 or 1988.

APPENDIX IV

APPENDIX IV

Table IV.6:
Information on 10 Randomly Selected Army Mobility Assignment Agreements Active in FY 1987-88

Nonfederal organization ^a	Purpose	Length of assignment (Months)	Cost (Dollars) ^b	Federal share (Percent)	Principal beneficiary
Incoming from:					
Worcester Polytechnic Institute	To provide technical expertise necessary to make analyses of parachute packing facilities and procedures	5	\$14,800	100	Army
University of Wyoming	To do research to develop models to simulate water levels for coastal structure design	6	10,040	100	Army
Madison Parish School Board	To assist in studies related to coastal ecology	1	6,021	100	Army
Northwest Family Network	To assist in developing a model childcare facility	9	30,000	100	Army
Utah State University	To assist in studies that deal with the effects of projects on fish	24	121,472	46	Army
Hinds Junior College District	To develop data on unemployed and underemployed water resources	3	12,821	100	Army
University of Mississippi	To develop a program to evaluate work on the rehabilitation of relief wells and drainage systems	1	4,474	100	Army
Matchex Special Municipal Separate School District	To prepare and enumerate algae samples, code data sheets, and participate in computer data entry	3	6,602	100	Army
University of Washington	To assist in evaluating the impact of navigation improvement and flood control projects on aquatic species	6	13,247	100	Army
Colorado State University	To write portions of a pamphlet on the Water Resources Development Act of 1986	8	46,039	100	Army

^aThe random sample of cases did not include any outgoing assignments.

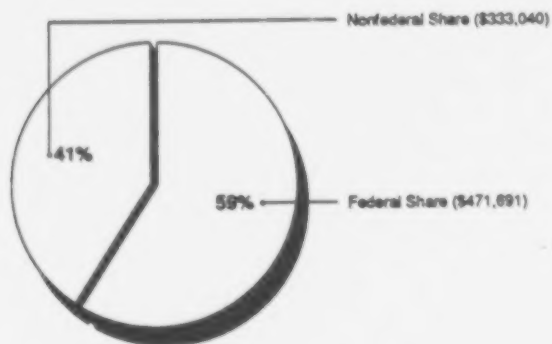
^bCosts can include salary; supplemental pay; fringe benefits; and travel, per diem, and relocation expenses, although not all assignment agreements contained all of these elements. Actual cost may differ from that shown in the agreement.

ENVIRONMENTAL PROTECTION AGENCY

In its fiscal year 1986 evaluation report,⁴ the EPA said that mobility assignments have been a valuable means of facilitating federal-state cooperation and understanding through assignments of skilled manpower. The report also noted that "EPA employees whose experience and technical expertise are beyond the States' recruitment/financial capabilities are available through IPA assignments. Their experience with EPA IPA employees has brought State and local officials new understanding of Federal programs and policies."

EPA's 10 agreements averaged 21.7 months and ranged from 6 to 48 months in duration. The federal and nonfederal share of the total cost for the 10 agreements is indicated in figure IV.4.

Figure IV.4:
Federal and Nonfederal Cost Sharing for 10 EPA Agreements



⁴As of March 1989, EPA had not submitted evaluation reports to OPM for fiscal year 1988 and 1987.

APPENDIX IV

APPENDIX IV

Table IV.7 provides overall data on the type of nonfederal organization involved in EPA agreements made during fiscal years 1984 through 1988.

Table IV.7:

EPA Use of Mobility Agreements During
Fiscal Years 1984 Through 1988

<u>Type of nonfederal organization</u>	<u>Total</u>		<u>Incoming</u>		<u>Outgoing</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State/local government	231	100	26	11	205	89
Educational institution	63	100	25	40	38	60
Indian tribal organization	0	0	0	0	0	0
Other	<u>25</u>	100	<u>7</u>	28	<u>18</u>	72
Total	<u>319^a</u>	100	<u>58</u>	18	<u>261</u>	82

^aWe could not determine whether personnel were going to or from nonfederal organizations for eight agreements on the basis of agency-completed questionnaires.

Table IV.8 summarizes data on the specific nonfederal organization, assignment purpose, total assignment cost and federal share, and principal beneficiary for 10 randomly selected agreements made by EPA which were active during fiscal years 1987 or 1988.

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Table IV.9:
Information on 10 Randomly Selected EPA Mobility Assignment Agreements Active in FY 1987-88

Nonfederal organization	Purpose	Length of assignment (Month)	Cost (Dollars) ^a	Federal share (Percent)	Principal beneficiary
<u>Incoming from:</u>					
University of Maryland	To review how toxic chemicals, acid rain, and emissions are evaluated and monitored	24	\$92,430	100%	EPA
State of Vermont	To assist in developing a program to control leaks from storage tanks	6	30,503	40	EPA
<u>Outgoing to:</u>					
State of Idaho	To provide legal assistance in work involving water quantity and quality	12	40,018	50	State
California Regional Water Quality Control Board	To help manage the database for the "Underground Storage Tank Program"	12	23,978	0	State
Sacramento County Air Pollution Control District	To help local agencies meet clean air requirements	10	63,090	0	State
Delaware Department of Health and Social Services	To develop an information system to coordinate the activities of 11 divisions	30	82,460	26	State
Underground Injection Practices Council	To determine Council training needs and design training courses and delivery systems to meet those needs	48	213,624	100	State
Puerto Rico Aqueduct and Sewer Authority	Could not be determined from the assignment agreement	27	124,572	49	State
State of Kentucky	To help develop a "Continuous Compliance Inspection Program" for asbestos	36	79,143	30	State
Arizona State University	To teach, write, and conduct research on reservation environmental protection	12	54,913	49	State

^aCosts can include salary; supplemental pay; fringe benefits; and travel, per diem, and relocation expenses, although not all assignment agreements contained all of these elements. Actual cost may differ from cost shown in the agreement.

APPENDIX IV

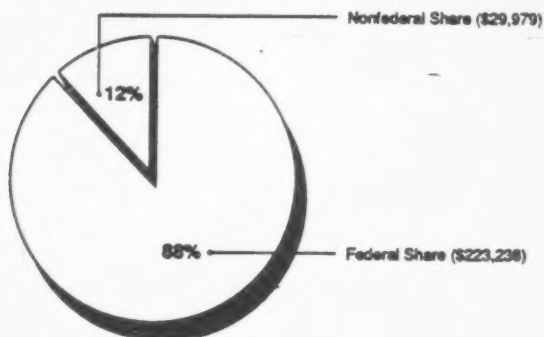
APPENDIX IV

DEPARTMENT OF THE NAVY

One of the Navy's fiscal year 1988 evaluation reports said that recent mobility assignment participants "provided expertise in several program areas."⁵ One of the participants assisted in a productivity improvement initiative. The report noted that because of the participant's "suggestions and technical contributions, the project now stands a chance of acceptance and success. When fully successful, we expect that this project will produce a dramatic increase in engineering productivity." Another evaluation report said that a participant was "developing a screening program for evaluating optical components and other items to be stored in the Optical Repository. He is also developing a test program to measure the optical and physical parameters for stored items which are unknown or poorly documented." A third evaluation report said that the Navy benefits from mobility assignments in three ways: "(1) to conceive and develop research programs in new technical areas, (2) to manage research programs during the recruitment process of hard-to-fill positions, and (3) to provide insight and ideas which broaden our perspective and expertise."

The Navy's 10 agreements averaged 9.7 months and ranged from 2 to 13 months in duration. The federal and nonfederal share of the total cost for the 10 agreements is indicated in figure IV.5.

Figure IV.5:
Federal and Nonfederal Cost Sharing for 10 Navy Agreements



⁵The Department of the Navy submitted separate evaluation reports for certain organizational units that participated in the mobility program during fiscal year 1988.

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Table IV.9 provides overall data on the type of nonfederal organization involved in Navy agreements made during fiscal years 1984 through 1988.

Table IV.9:

Navy Use of Mobility Agreements During
Fiscal Years 1984 Through 1988

<u>Type of nonfederal organization</u>	<u>Total</u>		<u>Incoming</u>		<u>Outgoing</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State/local government	2	100	1	50	1	50
Educational institution	265	100	258	97	7	3
Indian tribal organization	1	100	1	100	0	0
Other	<u>3</u>	100	<u>3</u>	100	<u>0</u>	0
Total	<u>271^a</u>	100	<u>263</u>	97	<u>8</u>	3

^aWe could not determine whether the employee on one agreement was going to from a nonfederal organization on the basis of the agency-completed questionnaire.

Table IV.10 summarizes data on the specific nonfederal organization, assignment purpose, total assignment cost and federal share, and principal beneficiary for 10 randomly selected agreements made by Navy that were active during fiscal years 1987 or 1988.

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Table IV.10:
Information on Ten Randomly Selected Navy Mobility Assignment Agreements Active in FY 1987-88

Nonfederal organization ^a	Purpose	Length of assignment (Months)	Cost (Dollars) ^b	Federal share (Percent)	Principal beneficiary
<u>Incoming from:</u>					
University of California (Berkeley)	To assist in the preparation of a report on the application of high-performance concrete in marine structures	9	\$18,655	100%	Navy
University of Minnesota	To develop a metal cyanide separation and recovery process	4	18,126	100	Navy
University of Hawaii	To gather and analyze hazardous samples from all Navy installations on Oahu, Hawaii	12	24,300	100	Navy
Johns Hopkins University	To assess, document, and plan a software program	12	82,794	100	Navy
Connecticut College	To work on a surface vibration measurement system	13	14,595	100	Navy
Loyola College	To do research on the hazards of damaged energetic materials	12	4,530	100	Navy
East Providence Rhode Island School Department	To provide consultation on purchasing and implementing computer hardware and software packages	12	15,981	100	Navy
Loyola College	To do research on the hazards of damaged energetic materials	12	10,920	100	Navy
University of Rhode Island	To assist in research in the area of pitting corrosion	2	3,358	100	Navy
Clarkson University	To do studies of the optical properties of fine particles	9	59,950	50	Navy

^aThe random sample of cases did not include any outgoing assignments.

^bCosts can include salary; supplemental pay; fringe benefits; and travel, per diem, and relocation expenses, although not all assignment agreements contained all of these elements. Actual cost may differ from cost shown in the agreement.

^cThese two assignments are for different individuals.

GAO IPA MOBILITY PROGRAM:
OPM OVERSIGHT

**OPM Has Provided Limited
Guidance and Oversight**

- Two Full-Time Staff Assigned
 - Information for Oversight
Purposes Not Always Obtained
 - Questionable Assignments Not
Always Fully Pursued
 - Ethics Policies Not Consistent
-

HAS OPM EXERCISED EFFECTIVE MOBILITY PROGRAM OVERSIGHT?

In 1971, the President issued an executive order delegating the authority for prescribing regulations and administering the mobility program to the Civil Service Commission,¹ now OPM. OPM is responsible for overseeing the mobility program and for issuing regulations to carry out the program. This oversight role stems from OPM's general responsibility under 5 U.S.C. 1103(a)(5)(A) (1982) to execute, administer, and enforce civil service rules and regulations and from a regulation giving OPM the authority to terminate improper assignments or to order corrective action--5 C.F.R. 334.107(d) (1988). OPM has issued guidelines in the FPM that agencies are to follow in approving, modifying, and extending mobility assignments.

MOBILITY PROGRAM EVALUATION

OPM had provided limited review of the mobility program since 1981, when it eliminated or substantially reduced its involvement with IPA and the related policies and programs. As mentioned in appendix I, OPM reduced the number of staff on the mobility program from five in fiscal year 1978 to two in fiscal year 1987. As of March 1989, two staff were assigned to the program.

While OPM has traditionally relied on its Personnel Management Evaluation (PME) program to identify and correct problems in personnel management practices in federal agencies, an OPM official responsible for the PME reviews said that OPM had not included the mobility program in its PME efforts. He said that the mobility program has never been reviewed under PME and was not one of the programs being reviewed in fiscal year 1989 because it has a low potential for abuse. This position, however, is not entirely supported by the results of OPM's last governmentwide evaluation of the program in 1980.

The 1980 evaluation showed that while most assignments reviewed met legal and regulatory requirements, and that participating organizations benefited from the assignments, the program had serious problems. The report said that agencies (1) failed to monitor assignment progress or evaluate assignment results and (2) did not appropriately use assignment authority. For example, some assignments were meant to employ college students during the summer or to outplace high-ranking federal employees of the

¹Exec. Order 11,589, 36 Fed. Reg. 6342 (1971).

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opposing political party after a change in administration. In addition, the report pointed out inequities in cost-sharing arrangements.

In 1982, in response to previous reviews by OPM and GAO, OPM proposed policy changes intended to improve its oversight of the mobility program and to strengthen agency controls over individual assignments. The major changes proposed included (1) revising the FPM to ensure that cost sharing will be generally consistent with the benefits expected by the participating organizations and to require agencies to evaluate all IPA assignments and submit annual evaluation reports to OPM and (2) limiting the authority of agency heads to delegate approval of assignments. Although OPM made changes to the FPM in 1983, according to an OPM official, OPM had not limited the authority of agency heads to delegate approval of assignments as of June 1989.

OPM requires each agency to send it an evaluation report on use of mobility assignments at the end of each fiscal year. However, the requirements do not specify a due date for the evaluation reports. OPM does not keep a record of those reports that are due and those that have been received. We determined that federal agencies have not always complied with OPM's requirements to submit evaluation reports.

On the basis of the responses to our survey of participating agencies, 36 federal agencies made assignment agreements during fiscal years 1984 through 1988. An OPM official said that only two agencies provided OPM with evaluation reports for fiscal year 1985. After a special request from OPM for fiscal year 1986 reports in the spring of 1987, 33 of the 36 agencies provided them, but the number of agencies reporting dropped to 12 for fiscal year 1987. As of March 1989, only 11 of the 36 agencies had provided reports for fiscal year 1988. Three of the top five federal participants in the program, however, had not provided evaluation reports at that time. Also, OPM had not repeated a request to the participating federal agencies like the one in the spring of 1987 to obtain the evaluation reports.

OPM requires all agencies to note in their annual evaluation reports the number of outgoing employees who did not return to the agency. Agencies must also note the number of incoming employees hired by the agency within 3 months after the end of their mobility assignments. However, an OPM official said that when OPM received the reports, it did not always pursue indications that personnel did not return to the sending agency. For example, OPM regulations state that federal employees must

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agree, as a condition of accepting a mobility assignment, to return to the federal government and serve for a period of time equal to the length of the assignment.⁴ The FPM more explicitly states that if the employee fails to do so, he or she must reimburse the federal agency for its share of the assignment cost (exclusive of salary), unless the head of the agency waives the requirement. It also says that employees are not to use the mobility program to gain permanent employment with the mobility employer.

For fiscal years 1986 to 1988, 6 agencies reported to OPM that a total of 31 employees did not return after completing IPA assignments; 11 reported that 33 incoming employees were hired by federal agencies. OPM officials told us that they did not follow up on any of the 64 employees to determine whether the agencies had followed OPM guidance as stated in the FPM. They did not think that the number of instances to date of employees not returning to the sending agency, as compared to the total number of assignments made by that agency, warranted any action on OPM's part. Furthermore, the officials said that if a person did not return to the sending agency, or was hired by the agency at the end of an assignment, this did not constitute a violation of the act. They said that the information in these reports is used mostly to determine trends in the mobility agreements.

While OPM states in the FPM that it will make periodic on-site reviews of agencies' mobility program activities, OPM made no on-site reviews of mobility program activities during fiscal years 1984 to 1988. During this period, an OPM official said they also had not maintained regular contact, through periodic meetings, program guidance, and the like, with IPA coordinators who were designated at OPM's request to administer the program in the federal agencies.

ONGOING MONITORING EFFORTS

OPM guidelines require federal agencies to furnish copies of all mobility assignment agreements, including modifications and extensions, to OPM within 30 days after being signed. OPM staff said they have no way of knowing about assignments unless agencies furnish copies to OPM after they are signed. They said they minimally review assignment agreements that are furnished to them to determine whether legal requirements and OPM guidelines are met. Since June 1988, OPM staff have used a checklist they developed for reviewing assignment agreements.

⁴5C.F.R. 334.105(1988).

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In the spring of 1987, OPM checked with the federal agencies to make sure it had received all fiscal year 1986 agreements. In some instances, OPM sent the agencies a list of agreements that it had already received and asked the agencies to submit any that were missing from OPM's list. In response to OPM's inquiry, the top five federal agency participants sent OPM 217 additional assignment agreements, or about 33 percent of the total number of agreements that OPM received from these organizations for fiscal year 1986. OPM has not since requested agencies to provide agreements.

OPM officials said that in 1987, they stopped recording the receipt of assignment agreements and stopped preparing internal management reports on agencies' agreements. Without such records, OPM has no sound basis to readily estimate the program's scope and cannot provide administrative control over the agreements it does receive. We obtained 188 agreements from NSF, NIH, and NEH for the 20-month period ending May 31, 1987, and asked OPM to locate each from its files. It was able to account for 168 (about 90 percent) of the assignments, but not the remaining 20.

OPM staff members do not routinely record the results of their reviews of agreements. An OPM official said that the agreements are filed without any notations to indicate whether they have been reviewed. The official said that they used to frequently make telephone calls to agencies to get more or corrected information for agreements, but did not document the calls. According to this official, while this used to be virtually the only way information was gathered for the agreements, OPM now sends letters to agencies even for minor corrections. This official provided us with files for fiscal years 1984 to 1988 containing letters requesting agencies to correct, usually within 14 to 21 days, 20 agreements for reasons such as failing to include signatures or other required information, assigning employees who did not have the minimum federal service required (90 days) or were not employed by an OPM-approved organization, and making agreements that exceeded the 2- and 4-year assignment limits.

OPM took up to several months to request corrections on the 20 agreements, and some agencies took up to 9 months to provide corrections. The number of days between the date OPM received 15 of the 20 assignment agreements and the date they sent letters to the agencies for corrections averaged 65 days. (We could not determine the elapsed time between these two dates for the other five agreements.) As of March 1989, OPM had received corrected information on 17 of the 20 assignments. Of the remaining three,

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OPM staff said that one assignment will be corrected by the agency and two assignments, made in 1984, remain uncorrected. Of the 17 assignments that were corrected, OPM received responses within 30 days on 5, indicating that corrections were made. The time required to correct nine other assignments averaged 163 days and ranged up to 272 days. There was insufficient information on the responses for the other three assignments to determine the length of time it took for OPM to get a response.

In analyzing data furnished by the 36 federal agencies, we identified 107 assignment agreements for periods that were scheduled to exceed 48 months. Forty-eight months is the maximum length of assignment allowed by the act, except for assignments involving Indian tribal organizations. As mentioned in appendix I, Public Law 98-146 waived the 4-year limit on these assignments and authorized executive agency heads to extend such assignments for any period of time. Excluding 79 agreements made by HHS (78) and Interior (1) with Indian tribal organizations, 28 agreements were made by 12 agencies that exceeded the 48 months allowed in the act by periods ranging from 1 day to 21 months.

OPM had no records to indicate that it had questioned the propriety of these 28 assignments. At our request, OPM staff reviewed these agreements. Of the 22 that OPM could locate, the OPM official responsible for the program said that OPM had not questioned 14 because the agreements exceeded the 48-month maximum time limit by only 1 day, and OPM believed that this was more of a clerical error than a violation. He said that OPM did not question the other eight agreements because they were either part-time or intermittent assignments and only time actually spent on an assignment is counted toward the 48 months. However, OPM regulations limiting assignments to 48 months make no distinction between full-time, part-time, or intermittent assignments.

CONFLICT-OF-INTEREST DETERMINATIONS

Because of the large number of personnel coming into federal agencies under the mobility program from colleges and universities, we determined what requirements OPM had imposed to guard against potential conflicts of interests by these employees. The FPM states that nonfederal personnel assigned to the program, whether on detail or by temporary appointment, are subject to certain provisions in Title 18 of the U.S. Code on federal conflict-of-interest statutes and various rules and regulations on employee conduct. While detailees are subject to these rules, the FPM does not require nonfederal participants in

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the mobility program to file public or confidential financial disclosure reports. However, the Ethics in Government Act,⁵ as amended, requires that federal employees in certain positions or paid above certain salary levels file public financial disclosure reports. These reports help agency officials detect and resolve any apparent or potential conflicts of interest.

OPM guidelines require federal agencies to inform personnel assigned to the mobility program about the provisions of laws and regulations on conflicts of interest and employee conduct applicable to them during the assignment. They also require that participants check a box on the assignment agreements indicating that they have been so informed. However, OPM's checklist for reviewing agreements does not cover employee conduct and conflicts of interest.

We asked four federal agencies, VA, HHS, NSF, and NEH, whether they required nonfederal employees assigned to their agencies under the program to file public or confidential financial disclosure reports. We found that the agencies were not uniformly requiring employees to file financial disclosure forms. Officials at two of the four organizations (NSF and NEH) told us that they require participants to file confidential financial disclosure reports. NSF and NEH officials said that this requirement is essential to assure the public that the integrity of their decision making process is maintained.

The other two organizations (HHS and VA) did not require either the public or confidential reports from mobility program participants on detail to their organizations. HHS and VA officials said that personnel coming into their organizations under the program primarily do research and are not assigned decision making duties that could present possible conflicts of interest.

We reviewed some of the agreements made by both HHS and VA and found that personnel could be assigned to positions that involved providing advice to high-level agency officials and developing policy. Although not necessarily typical, the following are two examples of agreements of this nature:

- An individual from the University of California was assigned to HHS' National Institute of Mental Health from July 1, 1988, through June 30, 1989. The individual, whose salary was \$105,000 (46 percent of which was the federal share), was

⁵Public Law 95-521, Oct. 26, 1978, 92 Stat. 1824, 1836.

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to serve as Special Assistant to the Institute Director and help establish priorities in the Institute and provide expert advice to the Director on major Institute initiatives, programs, and goals. His duties included identifying new scientific directions and opportunities for the Institute.

- An individual from the University of Michigan was assigned to the Geriatric Research, Education, and Clinical Center at VA's Ann Arbor Medical Center from August 21, 1988, through September 30, 1989. The individual's salary was about \$59,000 (37.5 percent of which was the federal share), and he served as Chief of Health Research for the Geriatric Center. His duties included directing health policy and health services as well as developing and managing individual research projects.

According to officials in HHS and VA, the individuals mentioned in the above examples did not file financial disclosure reports. We believe that positions like these dictate that a determination be made by the agency as to whether or not a conflict of interest exists, because the individuals were in positions to possibly influence agency decisions on policy, funding, projects, and other initiatives.

Assignment agreements made by HHS and VA did not always have the appropriate boxes checked on the agreement form indicating that nonfederal personnel assigned to the program had been informed of their obligations to avoid conflicts of interest, an OPM requirement. For example, the agreements for 24 of 313 assignments made by VA and for 4 of 147 assignments made by HHS during fiscal years 1987 and 1988 did not indicate that the individuals had been so informed.

In May 1989, an official from OPM's Office of Government Ethics (OGE) said that OGE was drafting regulations on obtaining confidential financial disclosure reports from federal employees. However, the OGE official said that he did not know if the proposed regulations would specifically address the circumstances in which mobility program participants on detail to federal agencies must file confidential financial disclosure reports. OGE has, nonetheless, provided informal guidance to agencies that such participants should file financial disclosure reports. In an opinion letter dated June 18, 1979, OGE said that the Ethics in Government Act of 1978 would have to be amended to make IPA participants, on detail to a federal agency subject to public financial disclosure requirements. The letter notes, however, that those employees who are detailed to federal agencies under the mobility program should be required to file confidential

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disclosure reports. In May 1989, an OGE official said that the OGE 1979 opinion letter represented OGE's current view on the need for IPA assignment participants who are on detail to file confidential financial disclosure reports.

OBJECTIVES, SCOPE, AND METHODOLOGY

At the request of the Chairman of the House Government Operations Subcommittee on Human Resources and Intergovernmental Relations, we reviewed the status of the IPA mobility program to provide information on the following questions:

- What has been the history of the IPA mobility program?
- For what purposes have IPA mobility assignments been used by federal agencies?
- What has been the nature and extent of participation in the mobility program by federal and nonfederal organizations?
- How much have IPA mobility assignments cost the federal government and how have these costs been shared between federal agencies and nonfederal organizations?
- How effective has OPM been in administering the IPA mobility program?

To identify changes to the mobility program, we reviewed hearings leading up to passage of the act in 1970; amendments to the act; and prior studies of the program, including an earlier GAO report on OPM's redirection and retrenchment actions in 1981.¹ To determine the purposes for which mobility assignments were used, we selected the five federal agencies reporting the largest numbers of assignments during fiscal years 1984 through 1988 (HHS, VA, the Army, EPA, and the Navy). We reviewed evaluation reports submitted by the agencies to OPM for fiscal years 1986 through 1988 to determine the stated purposes and benefits of mobility assignments.

We also randomly selected 10 agreements that were active during fiscal years 1987 or 1988 at each of the 5 agencies to determine the purpose(s) and principal beneficiaries of the assignments. For these assignments, we also determined how assignment costs were shared between the federal and nonfederal organization. While we determined whether cost sharing appeared to be generally in line with the benefits to be derived by each organization, we did not review the appropriateness of the cost allocation versus benefits. Although other costs and benefits may have resulted from the assignments, we limited our review to the cost and benefit data

¹Retrenchment and Redirection at the Office of Personnel Management (GAO/GGD-83-95, Aug. 22, 1983).

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provided in the randomly selected assignment agreements.

To determine the nature and extent of the program's use by federal agencies and nonfederal organizations (i.e., state and local governments, colleges and universities, Indian tribes and tribal organizations, and other eligible organizations), we obtained statistical information from OPM on numbers of assignments and patterns of participation by federal agencies and nonfederal organizations on a governmentwide basis for fiscal years 1971 through 1983. We did not verify the data provided to us by OPM and the data are used only in appendix I of our report to show changes in the program during its earlier years.

We also mailed two standardized questionnaires to IPA coordinators we identified from OPM's master list of participating federal agencies. We asked the coordinators, who represented 48 federal departments and agencies, to complete the questionnaire for any mobility assignment that was active at any time during fiscal years 1984 through 1988. A total of 36 departments and agencies responded with agreements initiated in fiscal years 1984 to 1988. These are listed in table II.2. We used the completed questionnaires to determine

- how many assignments had been initiated each fiscal year;
- which federal agencies were participating and to what extent;
- what types of nonfederal organizations were involved;
- how many assignments were "incoming" to or "outgoing" from federal departments and agencies;
- the methods of assignment of federal and nonfederal employees during the assignment (i.e., on detail, temporary appointment, or leave without pay); and
- the length of assignments.

It was not feasible to verify the data included in agency-completed questionnaires to the supporting records maintained by the agencies. We did, however, verify the data used in our analysis of agreement costs.

To review the administration of the program, we focused our work on what OPM had done to carry out its oversight responsibilities. We reviewed various executive orders, regulations, and guidelines. We also reviewed OPM's FPM. To determine whether OPM had carried out its responsibilities, we interviewed OPM officials directly

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responsible for the program and we reviewed the procedures followed for obtaining and reviewing copies of assignment agreements. We reviewed files on the 20 assignment agreements that OPM could provide as evidence of its oversight activities. We examined these files to see whether OPM had followed its procedures and what actions it took to address problems it had identified. We did not determine how the various other federal agencies were administering and managing mobility assignments or what staff resources would be required for OPM to fully carry out its oversight responsibilities.

To determine whether OPM had received copies of all assignment agreements made by the agencies, OPM provided us with a listing of all its agreements that were active at any time during October 1, 1985, through May 31, 1987, at NSF, NIH, and NEH. We then compared OPM's listing with the agreements we had received from these three agencies for this period. We also reviewed files that OPM furnished to verify whether it had received, but not recorded, agreements.

We also determined whether OPM had received required reports from the 36 departments and agencies participating in the mobility program during fiscal years 1984 through 1988. We reviewed the 56 agency evaluation reports that OPM had received to determine how OPM used information in the reports to monitor agencies' assignment practices.

We could not readily determine the total cost of the mobility program to the federal government because neither OPM nor the agencies collected overall cost data on the program. However, we extracted cost information from assignment agreements active at three agencies selected by the Subcommittee (NSF, NIH, and NEH) during October 1, 1985, through May 31, 1987. We verified that federal agencies actually paid, either directly to the personnel assigned or as reimbursement to the sending organization, the salaries indicated in agreements by comparing selected agreements with agency disbursement records.

Since such a large number of agreements involved bringing employees from colleges and universities to the federal government, we reviewed OPM's guidance on conflict-of-interest and employee conduct in the FPM and interviewed officials from four agencies (HHS, VA, NSF, and NEH) to determine to what extent the guidelines apply to the mobility program. In addition, we reviewed agreements initiated in fiscal year 1987 and 1988 for HHS and VA to determine if the forms were properly completed according to OPM's guidance on conflict-of-interest and employee conduct. We also reviewed the agreements to judgmentally identify those that

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created the possible appearance of a conflict-of-interest. We looked at 40 agreements for assignees with salaries of more than \$65,000 or who were executive/SES-level IPA employees and 102 agreements for assignees at the GS/GM-13 through 15 level, with salaries of \$39,000 to \$65,000.

Our review, primarily made between May 1987 and February 1989, was done in accordance with generally accepted government auditing standards.

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MAJOR CONTRIBUTORS TO THIS REPORTGeneral Government Division, Washington, D.C.

James T. Campbell, Assistant Director, Human Resources Management
Group
Richard B. Groskin, Assignment Manager
James J. Grace, Evaluator-in-Charge
Ellen Wineholt, Evaluator
Laura Shumway, Operations Research Analyst
Valerie Miller, Social Science Analyst

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